

**KALPATARU POWER TRANSMISSION LIMITED**



**Registered Office :** Plot No. 101, Part III, G.I.D.C Estate, Sector 28,  
Gandhinagar – 382 028, Gujarat, India.

**Tel :** 91-79-23214000 **Fax :** 91-79-23211966/68/71

**Contact Person :** Mr. Bajrang Ramdharani - Company Secretary

**Email :** [kptl@kalpatarupower.com](mailto:kptl@kalpatarupower.com) **Website :** [www.kalpatarupower.com](http://www.kalpatarupower.com)

**Corporate Office :** ‘KALPATARU SYNERGY’, 8<sup>th</sup> Floor, Opp. Grand Hyatt Hotel, Vakola,  
Santacruz (E), Mumbai – 400 055, India.

**Tel :** 91-22-30645000 **Fax :** 91-22-30643131

**MEMORANDUM OF INFORMATION  
(SCHEDULE – 1 DISCLOSURE AS PER SEBI GUIDELINES FOR THE ISSUE OF  
DEBENTURES ON A PRIVATE PLACEMENT BASIS)**

**Issue of 12.50% Secured Redeemable Non-Convertible Debentures (“Debentures/NCD”) of the face value of Rs. 100,000 each, for cash at par, aggregating Rs 80 Crores.**

**General Risk**

For taking an investment decision the investor must rely on their examination of the offeror and the offer including the risks involved. The Issue of Debentures has not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document.

**Credit Rating**

**CARE has assigned ‘CARE AA’ (double A) rating to these Debentures. This rating is considered to offer high safety for timely servicing of debt obligations. The rated instrument carries very low credit risk.** The rating is not recommended to buy, sell or hold Securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating obtained is subject to revision at any point of time in the future. The rating agencies have a right to suspend, withdraw the rating at any time on the basis of new information etc.

**Listing**

The Secured Redeemable Non-Convertible Debentures are proposed to be listed on the Wholesale Debt Market (WDM) Segment of Bombay Stock Exchange Limited (BSE)

<b>Debenture Trustee</b>	<b>Registrar to the Issue</b>
Unit Trust of India Investment Advisory Services Limited Unit No. 2, Block B, 1 <sup>st</sup> Floor, JVPD Scheme, Gulmohar Cross Road No. 9, Andheri (West), Mumbai – 400 049. Tel : 91-22-2628 5289/2265 Fax: 91-22-26285239	Intime Spectrum Registry Limited C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai, India Tel:91-22-25963838 Fax:91-22- 25946969

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## SECTION I

## ABBREVIATIONS

APDRP	Accelerated Power Development and Reform Programme
CARE	Credit Analysis & Research Ltd.
CDM	Clean Development Mechanism
CDSL	Central Depository Services (India) Limited
CER	Certified Emission Reduction
D/C	Double Circuit
EPC	Engineering Procurement & Construction
EOU	Export Oriented Unit
GAIL	Gas Authority of India Limited
GFSS-II	Gaothan Feeder Separation Scheme - II
IPO	Initial Public Offering
JMC	JMC Projects Ltd.
KPTL	Kalpataru Power Transmission Limited
KV	Kilo Vatt
MSEDCL	Maharashtra State Electricity Distribution Company Ltd
MTS	Metric Tons
MW	Mega Watt
NCD	Non-Convertible Debenture
NSDL	National Securities Depositories Limited
PPA	Power Purchase Agreement
QIP	Qualified Institutional Placement
RGVY	Rajiv Gandhi Grameen Vidhyutikaran Yojana
RTA	Registrar & Transfer Agent
RVPN	Rajasthan Vidyut Prasaran Nigam
SSSL	Shree Shubham Logistics Ltd
T&D	Transmission & Distribution Division
UNFCCC	United Nations Framework Convention on Climate Change
VDPL	Vijapur Dadri Pipeline Project
3PL	Third Party Logistics

## SECTION II

## SCHEDULE I DISCLOSURES OF SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008

## i. Name and address of the registered office of the issuer

<b>Name</b>	Kalpataru Power Transmission Limited (“KPTL”)
<b>Registered office</b>	Plot No. 101, Part III, G.I.D.C Estate, Sector 28, Gandhinagar – 382 028, Gujarat, India. Tel : 91-79-23214000 Fax : 91-79-23211966/68/71

## ii. Names and address of the Board of directors of the issuer :

The following table sets forth details regarding the Board of Directors

Sr. No.	Name	Designation	Address
1.	Mr. Mofatraj P. Munot	Chairman	Munot Villa, Westfield Compound Lane, 63-K, Bhulabhai Desai Road, Mumbai -400 026
2.	Mr. Mahendra G. Punatar	Vice-Chairman	1302, 13th Floor, Raheja Majestic, Near Starcity Theatre, Manmala Road, Matunga (West) Mumbai - 400 010
3.	Mr. K. V. Mani	Managing Director	12, Amaltas Bungalow Nr.Sarathi Restaurant, Opp. Sunrise Row House, Vastrapur- Bodakdev, Ahmedabad- 380 054
4.	Mr. Parag Munot	Promoter Director	Munot Villa, Westfield Compound Lane, 63-K, Bhulabhai Desai Road, Mumbai -400 026
5.	Mr. Ajay Munot	Executive Director	Hillside', 2nd Floor 27, Nepeansea Road. Mumbai - 400 026
6.	Mr. Manish Mohnot	Executive Director	C/4/11, Sunder Nagar, S. V. Road, Malad (W), Mumbai - 400 064
7.	Mr. Imtiaz Kanga	Promoter Director	1, Kalpataru, 39, Dr. Gopalrao Deshmukh Marg, Mumbai - 400 026
8.	Mr. Vimal Bhandari	Independent Director	Flat No. 164, 16th Floor Tower "A" Kalpataru Harizon S.K. Ahire Marg, Worli Mumbai - 400 018
9.	Mr. Shitin Desai	Independent Director	102, Glenridge

			16, Ridge Road, Malabar Hill Mumbai - 400 006
10.	Mr. Narayan Seshadri	Independent Director	Flat No 91, 9 Floor Everest Co-operative Housing Society Mount Pleasant Road Malabar Hill Mumbai 400 006
11.	Shri Pankaj Sachdeva	Dy.Managing Director	104, Shligrām – 2 Prahāladnagar Satellite, Ahmedabad - 380 015
12.	Shri Sajjanraj Mehta	Director	703, Atmaj, 94-C, August Kranti Marg, Mumbai - 400 036

**iii. A brief summary of the business/ activities of the issuer and its line of business**

KPTL is one of India’s largest engineering, procurement and construction company that provide integrated design, testing, fabrication, erection and construction services to the Indian power transmission industry. KPTL is a leading global EPC (Engineering, Procurement & Construction) services provider to power transmission utilities outside of India, particularly in Africa, the Middle East and Southeast Asia. The Company also provides EPC services to power distribution utilities in India. In addition, KPTL constructs cross-country oil and gas pipeline networks in India, and generate biomass energy, primarily from agriculture residue. For the year ended March 31, 2008, KPTL had Net Sales of Rs.1,737.58 crores. For the half-year ended 30<sup>th</sup> September, 2008, KPTL achieved a Net Sales of Rs. 906.02\_crores and as of 30<sup>th</sup> September 2008, KPTL had an order book position (including L1-lowest bidder) of Rs.4,000 crores.

KPTL is one of the Kalpataru Group of companies, which also has interests in, among others, real estate and property development businesses in India, under various companies, of which the flagship company is Kalpataru Limited. The Group also has interests in civil contracting and infrastructure services businesses in India, through JMC, of which KPTL owns 52.19% equity stake. JMC constructs factories and buildings, as well as infrastructure projects, such as roads, flyovers and metro stations. For the year ended March 31, 2008, JMC had Net Sales of Rs.918.47 crores. For the half-year ended 30<sup>th</sup> September, 2008, JMC achieved a Net Sales of Rs. 636.22 crores and as of 30<sup>th</sup> September, 2008, had an order book position of Rs.2,400 crores.

**Business Segments**

**(a) Transmission & Distribution Division**

***Engineering, Procurement and Construction Services***

In the power transmission business, the company designs, tests, fabricates, erects and strings transmission lines. These services include, Design and Engineering Services, Tower Testing

and Research and Development Services, Manufacturing Facilities, Construction of Transmission Lines, including Survey, Foundation, Erection and Stringing Services.

KPTL is a leading global EPC player in Transmission & Distribution (T&D) and continues to focus on new opportunities in the sector.

The production capacity was utilized at 95% to produce 79,531 MTS (year 2007-08). The company has added another 24,000 MTS production capacity at its Gandhinagar plant, making it one of the largest single location tower manufacturer in the world with a total production capacity of 108,000 MTS per annum.

The 100% Export Oriented Unit (EOU) has booked export revenues of Rs. 205.70 crores on a production of 24,196 MTS during the year 2007-08. Apart from being certified as ISO 9000, this unit has also accredited with ISO 14000 certification from Intertek, U.K. for environment safety.

On the international front, KPTL is presently executing jobs in Algeria, Abu Dhabi, Kenya, Philippines, Ethiopia, Djibouti and Nepal apart from regular towers export orders from Australia from reputed EPC contractors.

In 2007-08, KPTL made a major break through in North American market by securing orders worth Rs. 67.90 crores from USA and completed the first transmission line towers supply to Canada.

During 2007-08, the Company completed various rural electrification projects in Uttar Pradesh, Bihar, Rajasthan, Uttaranchal and West Bengal and electrified 4,761 villages under the RGGVY & APDRP scheme of the Government of India. KPTL has secured Rs. 997 crores single largest order from Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) to complete feeder separation work under GFSS-II Scheme in the six regions of Maharashtra, of which execution is under full swing.

#### **(b) Infrastructure Division**

The infrastructure business currently includes the construction of cross-country oil and gas pipelines. Presently, the Company is executing various pipeline projects, which includes (1) Vadinar-Bina Pipeline project of 24" (427 kms) for Bharat Oman Refineries Ltd., (2) Spur Line of East West Pipeline Project for Reliance Gas, (3) Chennai – Bangalore Pipeline project 12" ( 146 kms) for Indian Oil Corporation Ltd. (4) Vijaypur – Dadri Pipeline Project, 48" ( 165 kms) for GAIL.

The Company has already completed over 1000 Kms of cross country pipelines in India in the last four years of starting Infrastructure business in Oil & Gas sector.

The Company has invested Rs. 100 Crores in specialized Construction Equipment to enable this division a capability of building cross country pipelines of any size from 12 inch to 48 inch and in toughest of terrains.

**(c) Bio-Mass Energy Division**

In the year 2003, the company has diversified into Power Generation, using renewable/non conventional energy sources such as agricultural waste and crop residues (biomass) in the State of Rajasthan. The Company has set up two nos. of 7 MW (Net) power plant in Padampur, Ganganagar District (“Ganganagar Plant”) in September 2003 and at Uniara, Tonk district, Rajasthan (“Tonk Plant”) in November 2006, at total investment of approximately Rs 70 crores.

Kalpataru Power achieved a rare distinction of being one of the first 3 companies in the world to deliver verified CER (Certified Emission Reduction) generated from the Ganganagar Plant, which was amongst the first 3 projects in India to be registered with UNFCCC. Tonk Plant also has been registered under CDM mechanism

The Company has signed Power Purchase Agreement (PPA) and Power Wheeling Agreement with Rajasthan Vidyut Prasaran Nigam (RVPN) and 3 Distribution companies of Jaipur, Jodhpur & Ajmer, based on the Rajasthan State Policy of Non-Conventional Energy. As per the existing policy & regulations, the Company is permitted to third party sale including Large Industrial Customers.

The plant being environment friendly is expected to contribute to the prosperity and sustainable development of the region, and also generating local employment opportunities.

**(d) Real Estate Division**

The Company had no major activity in the division during 2007-08.

**KPTL’s Subsidiaries**

**(a) JMC Projects India Ltd. (JMC)**

The Company was founded in 1982 as a construction company. JMC has successfully defined its objectives & positioned itself as one of the leading organisations in the construction industry. Today, JMC has well equipped autonomous offices at strategic locations to effectively and efficiently serve its customers spread across the nation. In February 2005, KPTL acquired 49.9% stake in JMC, giving KPTL a strong presence in factories, industrial structures, buildings, software parks and roads & bridges. JMC has also entered into Water Pipelines / Sewerage, Railways & Civil work for Power Projects. As on 30<sup>th</sup> September, 2008, KPTL owns a 52.19% stake in JMC.

**(b) Shree Shubham Logistics Ltd. (SSSL)**

Shree Shubham Logistics Limited was incorporated in January, 2007, and subsequently converted into a Public Limited company in April, 2007. KPTL currently owns a 80% equity stake in SSSL.

SSLL serves the needs of Agri and Non-Agri Commodity Storage in best practice ambient and temperature-controlled warehouses across major markets in North, South and West India.

The main objectives of SSSL is to offer end-to-end logistics solutions with a pan-India presence, to all the commodity stake holders in the agricultural and non-agricultural segment including, but not limited to warehousing, cold storage services, and third party logistics (3PL), across the country.

SSLL plans to develop over 41 Global Standards Agri-Logistics Parks at strategic Mandies located in 11 states within a span of 3-5 years. In the first phase of operations, SSSL has commenced construction of 11 Agri Logistics Parks which include 3 Cold Stores, creating a capacity of about 200,000 Metric Tons for Dry storage and over 32,000 Metric Tons for Cold Storage, at total cost of over Rs. 100 crores.

**(c) Energylink (India) Ltd.**

It is a wholly owned subsidiary of KPTL & plans to foray into construction of large integrated township targeting middle & upper class income households.

**Segmentwise Revenue Performance**

The Consolidated Revenues (net of excise & inter-segment) from each of KPTL’s business segments are:

Particulars	FY 2007-08		FY 2006-07		FY 2005-06	
	Consolidated		Consolidated		Standalone	
	Rs. Crores	%	Rs. Crores	%	Rs. Crores	%
Transmission & Distribution	1505.8	56.29	1326.6	82.98	757.7	90.16
Bio-Mass Energy	36.6	1.37	27.5	1.72	18.1	2.15
Infrastructure	182.7	6.83	146.5	9.16	37.1	4.41
Real Estate	0.6	0.02	0.1	0.01	27.5	3.27
Contract Receipts	918.5	34.34	97.7	6.11	-	-
Others	30.7	1.85	0.3	0.02	-	-
Total Operating Income	<b>2674.9</b>	<b>100.00</b>	<b>1598.7</b>	<b>100.00</b>	<b>840.4</b>	<b>100.00</b>

**iv. A brief history of the issuer since its incorporation giving details of its activities including any reorganization, reconstruction or amalgamation, changes in its capital structure, (authorized, issued and subscribed) and borrowings, if any.**

Kalpataru Power Transmission Limited (KPTL), promoted by the promoters of Kalpataru Group of Companies and Late Shri Dhirubhai C. Patel, was incorporated on 23<sup>rd</sup> April, 1981, in the name and style of H T Power Structure Private Limited. It was converted into a public limited company on 20<sup>th</sup> December, 1993 and fresh certificate of incorporation for the change of name to its present one was issued on 4<sup>th</sup> January, 1994 by the Registrar of Companies, Gujarat.

The Company made its initial public offering in December 1994 and its shares are currently listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.



Pursuant to an order dated December 18, 1995 of the High Court of Gujarat, Vihar Securities Private Limited (“Vihar Securities”), a company incorporated under the Companies Act and engaged in the business of real estate, merged with the Company with effect from April 1, 1995 and the business of Vihar Securities was transferred to the Company. In accordance with the scheme of amalgamation, the Company has issued and allotted 3,060,000 fully paid up Equity Shares to the former shareholders of Vihar Securities in the ratio of 17 Equity Shares of the Company for 10 equity shares of Vihar Securities.

**Milestones Achieved**

April 1981	Incorporated as H T Power Structures Pvt. Ltd
April, 1984	Awarded first 220 KV contract
May, 1986	Awarded first 400 KV contract
March, 1991	Achieved 1,000 MTs production monthly
August, 1993	Awarded first 500 KV contract
April, 1994	Awarded first Physical Export contract
December, 1994	Receipt of ISO 9001 Certificate
December, 1994	Initial Public Offering (IPO)
September, 1995	Awarded first 800 KV contract
October, 1998	Commissioning of R & D and Testing Station
June, 2001	Awarded First Over-seas Turnkey contract
December, 2002	Awarded single largest Project of 1,150 kms of 400kv line (Rihand) - 46,000 MTs for Powergrid, India
September, 2003	Commissioning of Bio Mass Power Plant at Ganganagar, Rajasthan
November, 2004	Completion of third overseas 132 KV project for Zesco, Zambia ahead of contractual schedule in a record period of 8 months
January, 2005	Completion of over 900 kms of 400 KV D/C for Rihand project of Powergrid, ahead of contractual schedule
January, 2005	Strategic diversification into 11/33 KV Distribution projects in India.
August, 2005	Commissioning of New Fabrication Plant at Gandhinagar with a capacity of 30,000 Tonnes p.a. ( A 100% EOU)
October, 2005	Awarded First Pipeline Contract - over 400 kms of below 16" for BPCL
July, 2006	Awarded Prestigious Pipeline contract - 74kms x 30" for GAIL (Panvel-Dabhol)
March, 2007	KPTL Crossed turnover of Rs. 2,000 crores (Rs. 20 Billion) on consolidated basis
April, 2007	Ranked as the fastest growing Mid-Cap company of India, Business Today
March, 2008	Crossing the turnover of Rs 2,650 crores on a consolidated basis
September, 2008	Production capacity increased to 108000 MTS p.a., one of the largest tower fabrication facilities at single location in the World.

**Awards & Recognition**

<b>Year</b>	<b>Particulars</b>
2007	NDTV Profit Awards - Kalpataru Power Transmission Ltd., has been adjudged “The Best emerging value creator” (Mid-Size Companies) runner up for Outlook Money
2007	Business Today - Kalpataru Power Transmission Ltd. has been listed in “India's most investor-friendly companies”
2007	Business Today - Business Today rates Kalpataru Power Transmission Ltd as “Fastest growing Mid-Cap Company of India”
2006-07	D&B- ECGC Indian Exporters Excellence Award - Kalpataru Power Transmission Ltd has been awarded as the “Top Exporter in the Engineering Goods Sector”
2002-03 2001-02 1998-99 1995-96	Engineering Export Promotion Council - Kalpataru Power Transmission Ltd has been awarded a “Certificate of Export Excellence”
2000-01 1999-00 1997-98	Container Corporation of India Limited, Sabarmati ( Ahmedabad) - Kalpataru Power Transmission Ltd has been awarded the certificate for “Exporting maximum number of Containers”
2001-02 1999-00 1997-98	Engineering Export Promotion Council. - Kalpataru Power Transmission Ltd has been awarded Export performance, All India Trophy for Highest Export among Non-SSI Units in the Fabricated Steel Structures including Transmission Line Towers Panel
1998-99	Honorable Prime minister of India - Kalpataru Power Transmission Ltd has been awarded a certificate of “Meritorious export performance in Fabricated Steel towers including Transmission Line Towers”

**CAPITAL STRUCTURE OF THE COMPANY (AS ON SEPTEMBER, 30, 2008)**

	Amount (Rs. Crores)
A. Authorised Capital	
30,000,000 Equity Shares of Rs. 10/- each	30.00
	<b>30.00</b>
B. Issued Subscribed and Paid-up Capital*	
26,500,000 Equity Shares of Rs. 10/- each fully paid-up	26.50
C. Paid Up Capital after the present issue*	
26,500,000 Equity Shares of Rs. 10/- each fully paid-up	26.50

**\* Out of the above:**

- a. 14,186,500 shares allotted as fully paid-up bonus shares by capitalization out of general reserve, capital redemption reserve and share premium account; and
- b. 3,060,000 shares allotted for consideration other than cash in earlier years.

**Notes to the Capital Structure**

1a. Build up of Equity Share Capital as on 30<sup>th</sup> September 2008 is as follows;

Sr No	Date of Allotment	No. of Equity Shares Allotted	Face Value (Rs.)	Issue Price per share (Rs.)	Cumulative Paid-up capital (Rs.)	Consideration	Remarks
1	21/07/1981	15	100	100	1,500	Cash	Subscribed to MOA & AOA
2	12/01/1983	7070	100	100	708,500	Cash	Right Issue
3	02/02/1983	3290	100	100	1,037,500	Cash	Right Issue
4	27/10/1983	6200	100	100	167,500	Cash	Right Issue
5	07/12/1984	1227	100	100	1,780,200	Cash	Right Issue
6	31/03/1986	2198	100	100	2,000,000	Cash	Right Issue
7	03/01/1987	6000	100	100	2,600,000	Cash	Right Issue
8	07/03/1987	13000	100	100	3,900,000	Cash	Right Issue
9	27/06/1987	1000	100	100	4,000,000	Cash	Right Issue
10	27/06/1989	10000	100	100	5,000,000	Cash	Right Issue
11	20/03/1992	45000	100	100	9,500,000	Cash	Right Issue
12	29/09/1993	188500	100	100	28,350,000	Other than Cash	Bonus 1:2
13	11/06/1994	15000	10	10	28,500,000	Other than Cash	Bonus 1:2
14	16/07/1994	1425000	10	10	42,750,000	Cash	Right Issue
15	30/07/1994	1417500	10	10	56,925,000	Other than Cash	Bonus 3:1
16	07/11/1994	7500	10	10	57,000,000	Other than Cash	Bonus 3:1
17	26/12/1994	100000	10	70	58,000,000	Cash	Allotted to

							Others
18	07/02/1995	50000	10	70	58,500,000	Cash	Public Issue – Employees Quota
19	07/02/1995	1951500	10	70	78,015,000	Cash	Public Issue
20	10/02/1996	3060000	10	10	108,615,000	Other than Cash	On Amalgamation
21	24/04/2006	10861500	10	10	217,230,000	Other than Cash	Bonus 1:1
22	07/09/2006	4777000	10	727	265,000,000	Cash	QIP

1b. Details of Equity Shares Bought Back as on 30.09.2008 - NIL

**v. Details of debt securities issued and sought to be listed including face value, nature of debt securities mode of issue i.e public issue or private placement.**

This is a first NCD issue by the Company. The issuer proposes to issue the debentures aggregating to Rs 80 crores.

Issue Size	Rs. 80 crores
Instrument	Secured Redeemable Non-Convertible Debentures
Credit Rating	‘CARE AA’ (double A) by CARE
Face Value/Issue Price	Rs. 100,000 each
Minimum Application Size	100
Tenor	7 years
Redemption	At par in three annual installments at the end of 5 <sup>th</sup> , 6 <sup>th</sup> and 7 <sup>th</sup> year from the Deemed Date of Allotment.
Coupon Rate	12.50% p.a. payable annually.
Interest Payment	31 <sup>st</sup> March. The first payment will be due on 31 <sup>st</sup> March, 2009
Interest on Application Money	Interest shall be payable at the coupon rate from the date of realisation of cheque/draft till one day prior to the deemed date of allotment. Such interest will be paid within a week from the date of allotment
Put & Call option	NIL
Listing	At the “WDM” segment of BSE

**vi. Issue size**

The issuer proposes to issue the debentures aggregating to Rs 80 crores.

**vii. Details of utilization of the issue proceeds**

The proceeds of the issue will be utilized to meet the funding requirements for general corporate purposes of the Company.

**viii. A statement containing particulars of the dates of, and parties to all material contracts, agreements involving financial obligations of the issuer**

**a. Details of Ongoing Consortium**

<b>Name of Member</b>	<b>Name of Project</b>	<b>Date of Contract</b>	<b>Contract Value (Rs. crores)</b>	<b>Company's Obligation in %</b>
JSC Zangas, Russia	30" (74 kms) Panvel Dabhol Pipeline project (GAIL)	05/09/2006	181.00	96%
JSC Zangas, Russia ( VDPL )	48" (165.5 kms) Vijaipur Dadri Pipeline project (GAIL)	12/09/2008	239.90	96%
Poly Phase Services	Rural Electrification job in Kenya for KPLC (Kenya power & Lighting Co.)	07/12/2006	16.55	83.36%

**b. Corporate Guarantee/ Letter of Comfort given on behalf of Subsidiaries:**

- i. Corporate Guarantee given to
  1. Guarantee of Rs. 7.50 crores given on behalf of Shri Subham Logistics Ltd to HDFC Bank Ltd. for service provider facility
  2. Guarantee of Rs. 60 lacs given on behalf of Shri Subham Logistics Ltd to ICICI Bank Ltd. for service provider facility
  3. Guarantee of Rs. 1.50 crores given on behalf of Shri Subham Logistics Ltd to Axis Bank Ltd. for service provider facility
  4. Guarantee of Rs. 1.25 Crores given on behalf of Energy link (India) Ltd. to Kotak Mahindra Bank Ltd. against equipment financing.
- ii. Letter of comfort of Rs. 10 Crores given on behalf of Shri Subham Logistics Ltd. to HDFC Bank Ltd. for finance against pledge of goods.

## ix. Details of Secured Long-term and Short-term Borrowings

## (a) Details of Loan Taken and Assets of the Company charged as securities as on 30th September, 2008

Lender	Original Amount (Rs. Crores except where otherwise indicated)	INR Amt (Rs. Crores)	Date of Availment	Amt Outstanding as on 30.09.08 (Rs. Crores)	Repayment		Security
					Terms	Period	
Oriental Bank of Commerce	20.50	20.50	Various Dates	8.78	14 equal half-yearly installments starting from October 2004	2004 to 2011	Secured by way of charge over freehold land & immovable properties, specific movable plant & machineries financed of Bio-mass Power Plant situated at Padampur, Dist. Sri Ganganagar, Rajasthan
ICICI Bank	\$5.80 Millions	27.26	October 2005 to March 2006	23.33	21 equal quarterly installments starting from January 2008	2008 to 2014	Secured by way of charge over immovable and movable plant & machineries of Bio-mass Power Plant situated at Uniara, Dist. Tonk, Rajasthan and second charge on current assets of the same.
Oriental Bank of Commerce	12.50	12.50	October 2005	12.50	3 equal annual installments starting from October 2008	2008 to 2011	Secured by way of hypothecation of all movable fixed assets of transmission line tower plant at sector-28, Gandhinagar in pari-passu basis along with consortium bankers for working capital facilities stated hereunder.

**Private & Confidential – Not for Circulation**

EXIM Bank	12.50	12.50	November 2005	12.50	3 equal annual installments starting from November 2008	2008 to 2011	Secured by way of hypothecation of all movable fixed assets of transmission line tower plant at sector-28, Gandhinagar in pari-passu basis along with consortium bankers for working capital facilities stated hereunder.
EXIM Bank	12.00	12.00	March 2008	9.88	36 equal monthly installment starting from April 2008	2008 to 2011	Secured by hypothecation of specific movable fixed assets relating to Infrastructure Division.
HDFC	3.54	3.54	Various Dates	1.92			Secured Against Vehicles

**Consortium Funding (Working Capital)**

Lender	INR Amt (Rs. Crores)	Date of Availment	Amt Outstanding as on 30.09.08 (Rs. Crores)	Repayment		Security
				Terms	Period	
Indian Bank Oriental Bank of Commerce Union Bank of India State Bank of India EXIM Bank	375.00	Various Dates	357.82	Payable on Demand	N.A.	Secured in favour of consortium bankers by way of hypothecation of stocks, stores & spares, book debts & bills receivables and all other movable assets and further secured by all movable fixed assets except, charged to others as stated herein above of the factories premises & godown situated at Gandhinagar or wherever else pertaining to transmission & distribution and infrastructure division & by simple mortgage over land & building situated at Sector-28, Gandhinagar

**Project Specific**

Lender	INR Amt (Rs. Crores)	Date of Availment	Amt Outstanding as on 30.09.08 (Rs. Crores)	Repayment		Security
				Terms	Period	
Oriental Bank of Commerce	50.00	July 2008	48.62	Various Dates	N.A.	Bill discounting facility from a bank, secured by first pari-passu charge of all movable assets at Project sites premises & godowns of the sites for execution of work under GFSS-II of Maharashtra State Electricity Distribution
Citi Bank	150.00	Feb 2008	81.96			
EXIM Bank	50.00	July 2008	25.00			

- x. **Any material event/ development or change at the time of issue or subsequent to the issue which may affect the issue or the investor's decision to invest/ continue to invest in the debt securities**

In the opinion of the Directors of the Company, there have been no material developments after the date of the last financial statements, which would materially and adversely affect or are likely to affect the trading or profitability of the Company or the value of its assets, or its ability to pay its liabilities within the next twelve months.

- xi. **Particulars of the debt securities issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option**

Nil

- xii. **A list of highest ten holders of each class or kind of securities of the issuer as on the date of application along with particulars as to number of shares or debt securities held by them and the address of each such holder**

**Top 10 Largest Shareholders of the Company as on 30<sup>th</sup> September, 2008.**

Sr. No.	Name & Address of Shareholder	Total Shares	% of Capital
1.	Kalpataru Constructions Pvt. Ltd. 101 Kalpataru synergy, Opp Grand Hayatt Santacruz(East) Mumbai-400 055	46,70,000	17.62
2.	K C Holdings Pvt. Ltd. 101 Kalpataru synergy, Opp Grand Hayatt Santacruz(East) Mumbai-400 055	41,98,400	15.84
3.	Kalpataru Properties Pvt. Ltd. 101 Kalpataru synergy, Opp Grand Hayatt Santacruz(East) Mumbai-400 055	26,75,000	10.09



4.	Parag Mofatlaj Munot 101 Kalpataru synergy, Opp Grand Hayatt Santacruz(East) Mumbai-400 055	20,73,374	7.82
5.	Mofatraj Pukharaj Munot 101 Kalpataru synergy, Opp Grand Hayatt Santacruz(East) Mumbai-400 055	19,64,186	7.41
6.	Western India Trustee & Executor C/O ICICI Bank Ltd-SMS, Empire House, 1 <sup>st</sup> floor,414, Senapati Bapat Marg, Lower Parel, Mumbai-400 013	15,14,000	5.71
7.	ICICI Prudential Infrastructure Fund HDFC Bank Ltd custody services Trade World a wing GR Floor Kamala Mills Compound S B Marg Lower Parel,Mumbai-400 013	700,000	2.64
8.	Mirae Asset Investment Management Co. Ltd. HSBC Securities Services,2 <sup>nd</sup> Floor Shiv Plot No 139-140 B,Western Express Highway, Sahar RD Junct Vile Parle-E-mumbai-400 057	3,93,255	1.48
9.	Lehman Brothers Asia Ltd. A/c GRA FIN HSBC Securities Services,2 <sup>nd</sup> Floor Shiv Plot No 139-140 B,Western Express Highway, Sahar RD Junct Vile Parle-E-mumbai-400 057	3,50,000	1.32
10.	Tara I kanga 1 Kalpataru 39 DR G Deshmukh Marg Mumbai-400 026	3,10,826	1.17

**xiii. An undertaking that the issuer shall use a common form of transfer**

The debentures would be issued in Dematerialised form. However, Kalpataru Power Transmission Limited would use the common transfer form for physical holding if any

**xiv. Redemption amount, period of maturity, yield on redemption**

Please refer to the issue terms as mentioned in the next point no. xv.

**xv. Information relating to the terms of offer or purchase**

The issuer proposes to issue the debentures aggregating to Rs 80 crores.

Issue Size	Rs. 80 crores
Instrument	Secured Redeemable Non-Convertible Debentures
Credit Rating	‘CARE AA’ (double A) by CARE
Face Value/Issue Price	Rs. 100,000 each
Minimum Application Size	100
Tenor	7 years

Redemption	At par in three annual installments at the end of 5 <sup>th</sup> , 6 <sup>th</sup> and 7 <sup>th</sup> year from the Deemed Date of Allotment.
Coupon Rate	12.50% p.a. payable annually.
Interest Payment	31 <sup>st</sup> March. The first payment will be due on 31 <sup>st</sup> March, 2009
Interest on Application Money	Interest shall be payable at the coupon rate from the date of realisation of cheque/draft till one day prior to the deemed date of allotment. Such interest will be paid within a week from the date of allotment.
Put & Call option	NIL
Listing	At the “WDM” segment of BSE

**(a) Deemed Date of Allotment**

All benefits related to the Debentures will be available to the allottees from the Deemed Date of Allotment. The actual allotment of the Debentures may take place on a date other than the Deemed Date of Allotment. The Company will pay interest on the application money from the date of realisation of Cheque(s)/Demand draft(s), realisation of funds through RTGS transfer up to, but not including the Deemed Date of Allotment, in respect of the application money. The actual payment, if any, would be on the first interest payment date.

**(b) Security**

The Debentures are proposed to be secured by way of first pari-passu charge on the fixed assets of the Transmission & Distribution Division and the Infrastructure Division (including land & building) of the Company in favour of the Trustees for the Debentureholders (the ‘Debenture Trustee’ or the ‘Trustee’), in such form and manner and through one or more security documents as may be decided by the Company in consultation with the Trustee. The details of the Fixed Assets on which security is proposed are as under:

<b>S.No</b>	<b>Particulars</b>	<b>Amount in Rs. Crores</b>
1	Leasehold Land	10.23
2	Freehold Land	0.09
3	Buildings	27.20
4	Plant & Machineries	107.22
5	Electric Installation	1.91
	<b>Total</b>	<b>146.65</b>

The security, as aforesaid, will be created by the Company in favour of the Trustee, within such period as permitted by law on such of the assets for which the Company obtains, after all due diligence and efforts, the requisite consents and permissions necessary for the purpose. The Company will create the final security for the Debentures within 3 months from the deemed date of allotment. In the event of the company not creating the final security within 3 months from the deemed date of allotment, it shall pay interest at the rate of 2% p.a. over and above the coupon applicable on the outstanding amount of these debentures. Such additional interest shall be payable from the expiry of 3 months from the date of disbursement till creation of such security.

The Company propose to secure an aggregate amount of Rs.80 crores by way of first pari-passu charge on the fixed assets of the Transmission & Distribution Division and Infrastructure Division (including land & building) of the Company in favour of the Trustees for the Debentureholders (the 'Debenture Trustee' or the 'Trustee') alongwith existing charge holders, in such form and manner and in one or more tranches and through one or more security documents as may be decided by the Company in consultation with the Trustee.

**(c) Book Closure Date**

The Company's Register of Debenture holders will be closed for the purposes of payment of interest or redemption of Debentures, as the case may be, 7 days prior to the respective due date.

**(d) Interest**

The Interest Rate on the principal amount of Debentures outstanding shall be payable in arrears, (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof for which a certificate will be issued by the Bank) from the Deemed Date of Allotment. Interest will be paid annually on 31<sup>st</sup> March.

**(e) Tax Deduction at Source**

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or reenactment thereof will be deducted at source. Tax exemption certificate/document, under Section 193 of the Income Tax Act, 1961, if any, must be lodged at the registered office of the Company or at such other place as may be notified by the company in writing, at least 30 calendar days before the interest payment dates. Tax exemption certificate/document in respect of non-deduction of tax at source on interest on application money, must be submitted along with the Application Form.

**(f) Computation of interest**

Interest will be computed on 'actual/ 365', on the face value of principal outstanding on the Debentures at the respective coupon rate rounded off to the nearest Rupee. In case of leap year, the interest will be computed on 'actual/ 366', on the face value of principal outstanding on the Debentures at the respective coupon rate rounded off to the nearest Rupee.

**(g) Effect of Holidays**

Should any of dates defined above, fall on a Sunday or a Public Holiday in Mumbai, the interest for the period would be paid on the immediate succeeding working day in Mumbai with interest upto the day preceding the actual date of payment. The interest for the next succeeding interest period will correspondingly be adjusted.

**(h) Redemption of Debentures**

The payment on redemption will be made in the name of the sole holder or first holder (in case of joint holders) whose name appears in the list of beneficial owners given by the depository on the Record Date. The Company's liability to Debenture holders towards all

their rights, including for payment or otherwise shall cease and stand extinguished from the due date of redemption in all events. Further, the Company will not be liable to pay any interest, income or compensation of any kind from the date of such redemption of the Debentures. On dispatching the amounts as specified above in respect of the Debentures, the liability of the Company shall stand extinguished.

**(i) Right of the Company to Purchase, Re-sell and Re-issue Debentures**

**Purchase and Resale of Debentures:** The Company may, at any time and from time to time, purchase Debentures under this issue at discount, at par or premium in the open market or otherwise. Such Debentures may, at the option of the Company, be cancelled, held or resold.

**Reissue of Debentures:** Where the Company has redeemed any such Debentures, subject to the provisions of Section 121 of the Companies Act, 1956 and other applicable legal provisions, the Company shall have and shall be deemed always to have had the right to keep such Debentures alive for the purpose of reissue and in exercising such right, the Company shall have and shall be deemed always to have had the power to reissue such Debentures either by reissuing the same Debentures or by issuing other Debentures in their place in either case, at such a price and on such terms and conditions (including any variations, dropping of or additions to any terms and conditions originally stipulated) as the Company may deem fit.

**(j) Future Borrowings**

The Company will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also issue Debentures/Bonds/other securities in any manner having such ranking in priority, *pari passu* or otherwise and change the capital structure including the issue of shares of any class or buy back of shares, on such terms and conditions as the Company may think appropriate, without the consent of, or intimation to, the Debentureholders or the Trustees in this connection.

**(k) Letter/s of allotment/refund order(s) and interest in case of delay in despatch**

The issuer shall credit the allotted securities to the respective beneficiary account/dispatch the letter of allotment/letter(s) of regret/refund order(s) as the case may be by registered post/courier at the applicant's sole risk within 30 days from the date of closure of the Issue. The issuer further agrees to pay interest as per the applicable provisions of the Companies Act, 1956, if the allotment letters/refund orders have not been dispatched to the applicants within 30 days from the date of the closure of the issue.

**(l) Governing Law**

The Debentures shall be construed to be governed in accordance with Indian Law. The competent courts at Mumbai alone shall have jurisdiction in connection with any matter arising out of or under these precincts. Over and above the aforesaid Terms and Conditions, the said Debentures shall be subject to the Terms and Conditions to be incorporated in the Debentures to be issued to the allottees and the Debenture Trust Deed / Trustee Agreement.

**(m) Notices**

The notices to the Debentureholder(s) required to be given by the Company or the Trustees shall be deemed to have been given if sent by registered post to the sole/first allottee or sole/first registered holder of the Debentures, as the case may be.

All notices to be given by the Debentureholder(s) shall be sent by registered post or by hand delivery to the Company at its registered office.

**(n) Who Can Apply**

Only the persons who are specifically addressed through a communication directly are eligible to apply for the Debentures. No other person may apply.

**(o) Applications under Power of Attorney**

Original power of attorney or the relevant authority together with its certified true copy as the case may be along with the names and specimen signatures of all the authorised signatories and the tax exemption certificate/document, if any, must be lodged at the time of submission of the completed application form. Further modifications/additions in the power of attorney or authority should be notified to the Company at its registered office.

**(p) Permanent Account Number**

The applicants should mention the Permanent Account Number allotted under Income Tax Act, 1961 or where the same has not been allotted, the GIR Number and the IT Circle/Ward/District should be mentioned in the prescribed application form. Applications which are not in compliance with the above requirement shall be liable to be rejected.

**(q) Disclosure Clause**

In the event of default in the repayment of the principal and/or interest thereon on the due dates, the investors and/or the Reserve Bank of India/SEBI will have an unqualified right to disclose or publish the name of the borrower and its directors as defaulter in such manner and through such medium as the Investors and/or the Reserve Bank of India in their absolute discretion may think fit.

Over and above the aforesaid Terms and Conditions, the said Debentures shall be subject to the Terms and Conditions to be incorporated in the Debenture Trust Deed/Trustee Agreement.

**(r) Registrars**

Activities relating to Registrar & Transfer Agency (RTA) will be carried out by Intime Spectrum Registry Limited having its office at C 13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai, India.

Requests for registration of transfer, along with Debenture Certificates/Letters of Allotment and appropriate transfer documents should be sent to the RTA. The transferee shall also furnish name, address and specimen signatures and wherever necessary, authority for purchase of Debentures. The Registrars after examining the adequacy and correctness of the

documentation shall register the transfer in its books. However, as the NCDs are compulsory issued in demat mode, this may not be applicable.

**(s) Trustees**

The Company has appointed Unit Trust of India Investment Advisory Services Limited as Debenture Trustees, registered with SEBI, for the holders of the Debentures (hereinafter referred to as 'Trustees'). The Company will enter into a Trustee Agreement/Trust Deed, inter-alia, specifying the powers, authorities and obligations of the Company and the Trustees in respect of the Debentures.

The Debentureholders shall, without any further act or deed, be deemed to have irrevocably given their consent to and authorised the Trustees or any of their Agents or authorised officials to do, inter alia, all such acts, deeds and things necessary in respect of or relating to the security to be created for securing the Debentures being offered in terms of this Memorandum of Private Placement. All rights and remedies under the Debenture Trust Deed and/or other security documents shall rest in and be exercised by the Trustees without having it referred to the Debentureholders. Any payment made by the Company to the Trustees on behalf of the Debentureholder(s) shall discharge the Company *pro tanto* to the Debentureholder(s).

**(s) Debentureholder not a Shareholder**

The Debenture holders will not be entitled to any of the rights and privileges of Shareholders other than those available to them under statutory requirements. The Debentures shall not confer upon the holders the right to receive notice or to attend and vote at the general meetings of the Company. The Debentures shall be subjected to other usual terms and conditions incorporated in the Debenture certificate(s) that will be issued to the allottee(s) of such Debentures by the Company as per the Memorandum and Articles of Association of the Company.

**(t) Modification of Rights**

The rights, privileges, terms and conditions attached to the Debentures may be varied, modified or abrogated with the consent, in writing, of those holders of the Debentures who hold at least three fourth of the outstanding amount of the Debentures or with the sanction accorded pursuant to a resolution passed at a meeting of the Debentureholders, provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions of the Debentures, if the same are not acceptable to the Company.

**(u) Debenture Redemption Reserve**

The Company will create Debenture Redemption Reserve (DRR) as may be required in case of privately placed debentures.

**xvi. The discount at which such offer is made and the effective price for the investor as a result of such discount**

The Debentures are being issued at face value and not at discount to offer price.

**xvii. The debt equity ratio prior to and after issue of the debt security but including Secured Redeemable Non-Convertible Debentures aggregating Rs.80 Crores issued in December, 2008**

Based on 30th September, 2008, unaudited Accounts of the Company:

	<b>Long-term</b>	<b>Total</b>
(a) Debt Equity Ratio prior to issue of the Debt security	0.084:1	0.758:1
(b) Debt Equity Ratio after issue of the Debt security	0.182:1	0.855:1

**xviii. Servicing behavior on existing debt securities, payment of due interest on due dates on term loans and debt securities**

Company is prompt & regular in servicing of the existing debts. Company has been paying interest & principal on due dates on term loans and debt securities. No default has been committed by the Company in this regard & there are no overdues or defaults on Company's debt obligations

**xix. That the permission/ consent from the prior creditor for a second or pari passu charge being created in favour of the trustees to the proposed issue has been obtained**

The company has applied for consent to the existing charge holders to share the charge on existing and future fixed assets of the Transmission & Distribution Division and Infrastructure Division of the Company on a pari passu basis vide its letter dated November 1, 2008. The approval / consent is awaited

**xx. The names of the debenture trustee(s) shall be mentioned with a statement to the effect that debenture trustee(s) has given his consent to the issuer for his appointment under regulation 4 (4) and also in all the subsequent periodical communications sent to the holders of debt securities.**

Unit Trust of India Investment Advisory Services Limited having its office at Unit No. 2, Block B, 1<sup>st</sup> Floor, JVPD Scheme, Gulmohar Cross Road No. 9, Andheri (West), Mumbai – 400 049, has been appointed to act as the Trustees for the Debenture holders (hereinafter referred to as "Trustees"). All remedies of the Debenture holder(s) for the amounts due on the Debentures will be vested with the Trustees on behalf of the Debenture holder(s).

Trustee's have accorded their consent vide their letter dated 17<sup>th</sup> December, 2008.

The Debenture holders shall without any further act or deed be deemed to have irrevocably given their consent to and authorize the Trustees or any of their Agents or authorized officials to do inter alia acts, deeds and things necessary in respect of or relating to the creation of security in terms of this Memorandum of Private Placement.

**xxi. The rating rationale(s) adopted by the rating agencies shall be disclosed**

The rating rationale as released by CARE is attached at the end of this document.

**xxii. Names of all the recognized stock exchanges where securities are proposed to be listed clearly indicating the designated stock exchange and also whether in principle approval from the recognized stock exchange has been obtained**

The debentures are proposed to be listed on “WDM” segment of BSE. The exchange would issue in principle listing approval on submission of disclosures complying with Schedule I of SEBI guidelines.

**xxiii. A summary term sheet**

Issuer	Kalpataru Power Transmission Limited
Issue Size	Rs. 80 crores
Instrument	Secured Redeemable Non-Convertible Debentures
Instrument form	Only in Demat mode
Credit Rating	‘CARE AA’ (double A) by CARE
Face Value/Issue Price	RS 100,000 each
Issue Price	At par
Minimum Application Size	100
Tenor	7 years.
Redemption	At par in three annual installments at the end of 5 <sup>th</sup> , 6 <sup>th</sup> and 7 <sup>th</sup> year from the Deemed Date of Allotment.
Coupon Rate	12.50% p.a. payable annually.
Interest Payment	31 <sup>st</sup> March. The first payment will be due on 31 <sup>st</sup> March, 2009
Interest on Application Money	Interest shall be payable at the coupon rate from the date of realisation of cheque/draft till one day prior to the deemed date of allotment. Such interest will be paid within a week from the date of allotment
Put & Call option	NIL
Interest Calculation	The interest on the outstanding principal for each annual period would be calculated on an actual /365 day count basis and in case of a leap year actual/366 days count basis..
Listing	At the “WDM” segment of BSE
Depository	NSDL / CDSL
Trustee	Unit Trust of India Investment Advisory Services Limited
Issue Opening	To be finalised
Issue Closing	To be finalised
Deemed date of allotment	To be finalised

**For Kalpataru Power Transmission Limited**

Sd/-

**Authorised Signatory**

**(Bajrang Ramdharani)**

**G.M. (Finance) & Company Secretary**