



## RELIANCE UTILITIES AND POWER PRIVATE LIMITED

Registered Office: CPP Control Room, Village Padana, Taluka Lalpur, District Jamnagar - 361 280, Gujarat

Corporate Office: 3rd Floor, Maker Chambers IV, 222 Nariman Point, Mumbai – 400 021.

Tel: +91 22 2278 5500, Fax: +91 22 2278 5560 e-mail: [ppd1.investor@ruppl.in](mailto:ppd1.investor@ruppl.in)

Disclosure Document for issue by way of Private Placement by Reliance Utilities and Power Private Limited (“**RUPL**” or the “**Company**” or the “**Issuer**”) of 5,000 Unsecured Redeemable Non-Convertible Debentures - PPD 1 (“**Debentures**”) of the face value of Rs.10,00,000 each, with marketable lot of one, for cash aggregating Rs 500 Crores (the “**Issue**”).

### GENERAL RISKS

Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in the debt instrument, unless they can afford to take the risks attached to such investments. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The Debentures have 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

“**AAA (SO)**” (“**TRIPLE A Structured Obligation**”) by CARE for the issue of debentures aggregating Rs. 500 Crores, including the Debentures being offered in this Issue. This indicates “**highest degree of safety**” with respect to timely payment of interest and principal on the instrument. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to suspension, revision or withdrawal at any time by the assigning rating agency. The rating agency has a right to revise, suspend or withdraw the rating at any time on the basis of factors such as new information or unavailability of information or other circumstances which the Credit Rating Agency believes may have an impact on its rating.

### LISTING

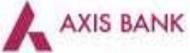
The Debentures are proposed to be listed on the wholesale debt market segment of the Bombay Stock Exchange Limited (“**BSE**” or the “**Stock Exchange**”). The BSE has given its ‘in-principle’ approval to list the Debentures by letter no. DCS/PREF/SP/IP-PPD1/267/09-10 dated 27<sup>th</sup> May 2009.

### ISSUE PROGRAMME

ISSUE OPENING DATE	ISSUE CLOSING DATE
28 <sup>th</sup> May 2009	1 <sup>st</sup> June 2009

The Company reserves the right to close the Issue earlier from the aforesaid date or change the Issue time table including the Date of Allotment (as defined hereinafter) at its sole discretion, without giving any reasons or prior notice. The Issue will be open for subscription at the commencement of banking hours and close at the close of banking hours.

The Issue shall be subject to the terms and conditions of this Disclosure Document filed with the Stock Exchange and other documents in relation to the Issue.

SOLE ARRANGER	DEBENTURE TRUSTEE	REGISTRAR
 <p><b>Axis Bank Limited</b> Maker Towers 'F', 13<sup>th</sup> Floor, Cuffe Parade, Colaba, Mumbai 400 005 Tel: 91-22- 2216 0304 Fax: 91-22- 2216 4721 email :Shashikant.Rathi@axisbank.com</p>	<p>Axis Trustee Services Limited 6th Floor, "F" Wing, Maker Towers, Cuffe Parade, Colaba, Mumbai 400 005 Tel: 91- 22 – 6707 2041 Fax: 91 -22 – 2218 2574 email: neelesh.baheti@axistrustee.com</p>	 <p><b>Karvy Computershare Pvt. Ltd.,</b> Karvy Computershare Private Limited 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad 500 034 Tel: +91 40 2332 0666 Fax: +91 40 2332 3058 email: venkat@karvy.com</p>

## **DISCLAIMER**

### **GENERAL DISCLAIMER**

This Disclosure Document is neither a prospectus nor a statement in lieu of prospectus and is prepared in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008. This Disclosure Document does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures to be issued by the Company. The Disclosure Document is for the exclusive use of the institutions to whom it is delivered and it should not be circulated or distributed to third party(ies). The Company certifies that the disclosures made in this Disclosure Document are in conformity with the captioned SEBI Regulations. This Disclosure Document is to facilitate investors to take a decision for making investment in the proposed Issue.

## Table of Contents

1) NAME AND ADDRESS OF THE REGISTERED OFFICE OF THE ISSUER .....	5
2) NAME AND ADDRESS OF DIRECTORS OF ISSUER.....	5
3) BRIEF SUMMARY OF BUSINESS ACTIVITIES OF THE ISSUER .....	6
4) BRIEF HISTORY OF THE ISSUER .....	7
5) DETAILS OF DEBT SECURITIES ISSUED AND SOUGHT TO BE LISTED .....	9
6) ISSUE SIZE .....	9
7) DETAILS OF UTILIZATION OF THE ISSUE PROCEEDS .....	9
8) DETAILS OF MATERIAL CONTRACTS AND DOCUMENTS.....	9
9) DETAILS OF OTHER BORROWINGS .....	10
10) MATERIAL EVENTS/DEVELOPMENTS AT THE TIME OF THE ISSUE.....	10
11) PARTICULARS OF DEBT SECURITIES ISSUED.....	10
12) TOP TEN HOLDERS OF EACH CLASS/KIND OF SECURITIES OF THE ISSUER.....	10
13) UNDERTAKING- COMMON FORM OF TRANSFER .....	11
14) REDEMPTION.....	12
15) INFORMATION RELATING TO THE TERMS OF OFFER .....	12
16) DISCOUNT AT WHICH SUCH OFFER IS MADE & EFFECTIVE PRICE FOR INVESTOR .....	17
17) DEBT EQUITY RATIO PRIOR TO AND AFTER THE ISSUE OF THIS SECURITY .....	17
18) SERVICING OF EXISTING DEBT SECURITIES & PAYMENT OF INTEREST.....	17
19) PERMISSION FROM PRIOR CREDITORS FOR CREATION OF CHARGE.....	17
20) NAME AND ADDRESS OF DEBENTURE TRUSTEE .....	17
21) RATING RATIONALE ADOPTED BY RATING AGENCY.....	17
22) NAME OF STOCK EXCHANGE AND IN PRINCIPLE APPROVAL LETTER.....	17
23) TERM SHEET CONTAINING DETAILS OF SECURITIES TO BE ISSUED .....	18

## Abbreviations

Abbreviation	Details
BHEL	Bharat Heavy Electricals Limited
BSE	Bombay Stock Exchange Limited
CARE	Credit Analysis & Research Ltd.
CDSL	Central Depository Services (India) Limited
GE	General Electric Corporation
GTG	Gas Turbine Generators
HRSG	Heat Recovery Steam Generators
HSD	High Speed Diesel
MW	Mega Watt
MWe	Mega Watt equivalent
NSDL	National Securities Depository Limited
O & M	Operation and Maintenance
PAN	Permanent Account Number
PLF	Plant Load Factor
PPA	Power Purchase Agreement
PPD	Private Placement of Debentures
RIL	Reliance Industries Limited
RPL	Reliance Petroleum Limited
Rs.	Rupees
RTGS	Real Time Gross Settlement
RUPL	Reliance Utilities and Power Private Limited
SEBI	Securities and Exchange Board of India
SEZ	Special Economic Zone
STG	Steam Turbine Generators
TDS	Tax Deduction at Source
WDM	Wholesale Debt Market

**1) NAME AND ADDRESS OF THE REGISTERED OFFICE OF THE ISSUER****Reliance Utilities and Power Private Limited (“RUPL”)**

Registered Office: CPP Control Room,  
 Village Padana, Taluka Lalpur,  
 District: Jamnagar 361 280.  
 Gujarat, India.  
 Tel: +91-288-2312283  
 Fax: +91-288-2312249

Corporate Office: 3rd Floor, Maker Chambers IV,  
 222 Nariman Point,  
 Mumbai: 400 021.  
 Maharashtra, India.  
 Tel: +91-22-2278 5500  
 Fax:+91-22-2278 5560  
 E-mail: [ppd1.investor@ruppl.in](mailto:ppd1.investor@ruppl.in)

**2) NAME AND ADDRESS OF DIRECTORS OF ISSUER**

The name and address of the Directors of the Company are as under:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Address</b>
1.	Kamal Pantilal Nanavaty	61, Radheya, Plot No.359, 14th Road, Khar (West), Mumbai 400 052.
2.	Virender Kumar Gandhi	15/1101, Seawoods Estates, NRI Complex, Sect-54, 56 & 58, Palm Beach Road, Nerul, Navi Mumbai 400 706.
3.	Satish Ramanlal Parikh	6, Neeta Apartment, Shimpoli Road, Borivali (West), Mumbai 400 092.

### 3) BRIEF SUMMARY OF BUSINESS ACTIVITIES OF THE ISSUER

Reliance Utilities and Power Private Limited (“RUPL”) is primarily engaged in the business of setting up, operating and maintaining captive power plants at various manufacturing locations of Reliance Industries Limited (“RIL”).

All of RIL’s facilities are continuous process plants and requires uninterrupted supply of quality power for efficient and high quality operations. RUPL supplies power and steam to RIL’s facilities located at Hazira and Jamnagar. Currently, RUPL operates and maintains over 1,500 MW of power generating capacities.

Details of existing power plants maintained by RUPL are highlighted in the table below.

Location	Capacity	Configuration	Fuel	Year of Commissioning
Hazira-1	64 MW	2 GTG	Natural Gas/HSD	1991
Hazira-2	64 MW	2 GTG	Natural Gas/HSD	1995
Hazira-3	106 MW	2 GTG+1 STG	Natural Gas/HSD	1996-97
Hazira-4	110 MW	1 GT+2 STG	Natural Gas/HSD	1998
Hazira-5	60 MW	2 GTs	Naphtha/HSD	1999
Jamnagar-1	360 MW	8 GT+4 STG	Natural Gas/Distillate	1999-2000
Jamnagar-2	90 MW	1 GT+2 STG	Natural Gas/Distillate	2005-2006
Jamnagar SEZ	756 MW	6 GT + 6 HRSG + 2 STG	Natural Gas/Distillate	2008

Over the last 10 years of operations, RUPL has demonstrated capability in operating power plants with high levels of efficiency and availability. As can be seen from the table below, RUPL has operated the power plants at Jamnagar and Hazira with consistent availability of over 96% and reliability factor of over 98.9% over the last six years. The PLF of these power plants are in the range of only 69-81% as the installed capacities include the spare capacities built in as back-up support at these locations.

#### Power plants at Jamnagar (Figures in %)

Particulars	2003-04	2004-05	2005-06	2006-07	2007-08
Availability	97.40	96.49	98.97	97.56	97.74
Reliability	99.40	99.86	99.88	99.75	99.93
PLF	72.94	75.87	75.58	77.14	75.41

#### Power plants at Hazira (Figures in %)

Particulars	2003-04	2004-05	2005-06	2006-07	2007-08
Availability	98.19	98.16	97.57	96.18	98.35
Reliability	99.27	99.91	99.05	97.10	99.67
PLF	69.80	76.38	76.60	78.22	81.33

Apart from scale and operational efficiencies, RUPL has demonstrated capabilities to build captive power plants in a cost efficient manner and commission them in a record time. At several of the above locations, RUPL has commissioned Gas Turbine Generators (“GTG”s) in less than nine months and Heat Recovery Steam Generators (“HRSG”s) in about thirteen months.

RUPL has significant expertise in related technologies that have been absorbed from various licensors such as GE, BHEL, Deutsche Babcock, Thermax Babcock and Willcox et al.

RUPL has entered into a Power Purchase Agreement (“PPA”) with RIL that is valid up to 2015-16. The following table provides highlights of audited financial performance of RUPL.

Rs. In Crores				
Year ended / As on June 30,	2005	2006	2007	2008
Income from operations	345	327	344	303
Net Profit	193	158	167	243
Total Capital Employed	2,098	3,020	4,149	3,926

#### 4) BRIEF HISTORY OF THE ISSUER

##### (a) Company Overview

Reliance Utilities and Power Private Limited (“RUPL”) was originally incorporated on January 4, 1991 as Reliance Thermal Power Private Limited. The name of the Company was changed to Reliance Utilities and Power Private Limited with effect from April 30, 1997 and subsequently to Reliance Utilities and Power Limited with effect from June 4, 1997. With effect from October 25, 2008, the name of the Company has been changed to Reliance Utilities and Power Private Limited.

The registered office of the Company is located at CPP Control Room, Village Padana, Taluka Lalpur, District Jamnagar 361 280 (Gujarat) and the corporate office at 3rd Floor, Maker Chambers IV, 222 Nariman Point, Mumbai 400 021 (Maharashtra). The main business of the Company is to build, operate and maintain power plants on a captive basis to RIL.

##### (b) Brief history of Company’s reorganisation, reconstruction and amalgamation

There has been no reorganisation, reconstruction and amalgamation since inception.

Date	Particulars of changes in name and registered office
January 4, 1991	Reliance Thermal Power Private Limited incorporated in the State of Maharashtra.
January 18, 1991	The Registered Office of the Company was shifted from 25, Bank Street, 2nd Floor, Fort, Mumbai 400 023 to 3rd Floor, Maker Chambers IV, 222, Nariman Point, Mumbai 400 021.
April 30, 1997	The name of Reliance Thermal Power Private Limited was changed to Reliance Utilities and Power Private Limited.
June 4, 1997	The name of Reliance Utilities and Power Private Limited was changed to Reliance Utilities and Power Limited.
June 18, 2007	The Registered Office of the Company was shifted from the State of Maharashtra to the State of Gujarat at Motikhavdi, P.O. Digvijaygram, Jamnagar 361 140, Gujarat.
July 16, 2008	The Registered Office of the Company was shifted from Motikhavdi, P.O. Digvijaygram, Jamnagar 361 140, Gujarat to CPP Control Room, Village Padana, Taluka Lalpur, District Jamnagar 361 280, Gujarat.
October 25, 2008	The name of Reliance Utilities and Power Limited was changed to Reliance Utilities and Power Private Limited.

**(c) Share Capital Structure (As on March 31, 2009)**

Rs. In Crores	
<b>AUTHORISED SHARE CAPITAL</b>	
150,00,00,000 Equity Shares of Re.1/- each	150.00
1,00,00,000 Preference Shares of Rs.100/- each	100.00
<b>TOTAL</b>	<b>250.00</b>
<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>	
<b>Equity Shares – Class ‘A’ Shares</b>	
1,00,00,000 Equity Shares of Re. 1/- each	1.00
<b>Equity Shares – Class ‘B’ Shares</b>	
131,00,88,000 Equity Shares of Re.1/- each	131.01
<b>TOTAL EQUITY</b>	<b>132.01</b>

**(d) Change in Share Capital Structure (Since inception):**

- (i) Equity Shares: Class ‘A’ shares were allotted on October 27, 2008.
- (ii) Equity Shares: Class ‘B’ shares were issued as follows:

Sr. No.	Details of Equity Shares Issued	Allotment Date	No. of Shares	Face Value per share	Cumulative No. of Shares
1	Subscribers to Memorandum	07.01.1991	200	10	200
2	Private Placement	23.12.1991	1,500	10	1700
3	Private Placement	20.07.1993	8,000	10	9700
4	Private Placement	22.12.1997	2,14,61,000	10	2,14,70,700
5	Private Placement	11.04.1998	90,59,100	10	3,05,29,800
6	Private Placement	30.07.1998	1,62,52,300	10	4,67,82,100
7	Private Placement	23.09.1998	39,41,000	10	5,07,23,100
8	Private Placement	26.11.1998	5,27,95,700	10	10,35,18,800
9	Private Placement	06.01.1999	14,90,000	10	10,50,08,800*
10	Euro Issue – GDR	05.12.2002	26,00,00,000	1	131,00,88,000

\* Equity Shares of Rs 10/- each were sub-divided into Equity Shares of Re. 1/- each with effect from 20.2.2002

**5) DETAILS OF DEBT SECURITIES ISSUED AND SOUGHT TO BE LISTED**

Nature of Debt Securities	Unsecured Redeemable Non-Convertible Debentures – PPD 1
Issue Amount	Rs.500 Crores
No of Debentures and Face Value	5000 (“Five Thousand”) Debentures having a Face Value of Rs.10,00,000 each will be issued for cash at par
Tenor	5 years from the Date of Allotment
Redemption	At par, in two tranches of Rs. 200 Crores and Rs. 300 Crores at the end of 4th and 5th year respectively from the Date of Allotment
Put / Call Option	At par, at the end of 3 years from the Date of Allotment
Coupon rate	9.45% per annum
Date of Subscription	Date of Subscription shall be the date of realisation of the proceeds of subscription in the bank accounts of the Issuer
Interest on Subscription Money	Interest shall be payable at the Coupon Rate from the date of realization of cheque / draft till one day prior to the Date of Allotment
Coupon Payment	Interest shall accrue at the Coupon Rate, on the outstanding value of the Debentures from the Date of Allotment and the payment shall be made at the end of every year from the Date of Allotment
Listing	At WDM Segment of BSE
Debenture Trustee	Axis Trustee Services Limited
Issue Opening Date	28 <sup>th</sup> May 2009
Issue Closing Date	1 <sup>st</sup> June 2009
Date of Allotment	Within 4 Business Days from the Issue Closing Date
Mode of Issue and Trading	Private Placement in Demat mode

**6) ISSUE SIZE:**

The issue size is Rs. 500 Crores (Rupees Five Hundred Crores).

**7) DETAILS OF UTILIZATION OF THE ISSUE PROCEEDS**

The issue proceeds will be utilized for general corporate purpose.

**8) DETAILS OF MATERIAL CONTRACTS AND DOCUMENTS**

The following contracts and documents may be inspected at the Corporate Office of the Company between 10.00 a.m. and 12.00 noon on any working day until the Issue Closing Date.

**A. Material Contracts**

- Letter appointing Karvy Computershare Private Limited as Registrars and Transfer Agents (“Registrar”).
- Letter appointing Axis Trustee Services Limited, as trustee to the Debenture holders (“Debenture Trustee”).

**B. Documents**

- Memorandum and Articles of Association of the Company.
- Board Resolution dated May 23, 2009 authorizing issue of Debentures offered under terms of this Disclosure Document.
- Consent letter from Axis Trustee Services Limited for acting as Debenture Trustee for and on behalf of the holder(s) of the Debentures.
- Consent letter from Karvy Computershare Private Limited for acting as Registrars to the Issue.
- Application made to the BSE for grant of in-principle approval for listing of Debentures.
- Letter from BSE conveying its in-principle approval for listing of Debentures.
- Letter from CARE conveying the credit rating for the Debentures of the Company and the rating rationale pertaining thereto.
- Tripartite Agreement between the Company, National Securities Depository Limited (“NSDL”) and the Registrar for the Issue of Debentures in dematerialised form.

**9) DETAILS OF OTHER BORROWINGS (As on March 31, 2009)****a) Secured Loans**

Sr No	Particulars	Rs. in Crores
A)	TERM LOAN	
	Rupee Loans from Banks	667.80

**b) Unsecured Loans**

NIL

**c) Details of Outstanding Non-Convertible Debentures, if any.**

NIL

**10) MATERIAL EVENTS/DEVELOPMENTS AT THE TIME OF THE ISSUE**

There has not been any material event or development or any other changes at the time of the Issue, which may affect the Issue or the investor's decision to invest in the debt securities of the Company.

**11) PARTICULARS OF DEBT SECURITIES ISSUED (i) FOR CONSIDERATION OTHER THAN CASH, WHETHER IN WHOLE OR PART, (ii) AT A PREMIUM OR AT DISCOUNT, OR (iii) IN PURSUANCE OF AN OPTION TO ANY INVESTOR**

The Company has not issued any debt security for (i) consideration other than cash; (ii) either at a premium or at any discount; or (iii) in pursuance of an option to any investor.

**12) LIST OF TOP TEN HOLDERS OF EACH CLASS/KIND OF SECURITIES OF THE ISSUER****(a) List of holders of Equity Shares as on March 31, 2009**

Jigna Fiscal Services Private Limited having its registered office at 84-A, Mittal Court, 8th Floor, 224, Nariman Point, Mumbai 400021, is holding 10,64,860 Class A Equity Shares and 18,84,65,000 Class B Equity Shares. Proline Investments Private Limited having its registered office at 84-A, Mittal Court, 8th Floor, 224, Nariman Point, Mumbai 400021 is holding 10,78,920 Class A Equity Shares and 19,10,36,000 Class B Equity Shares. Shangrila Investments And Trading Company Private Limited having its registered office at 505, Dalamal House, 5th Floor, 206, Nariman Point, Mumbai 400021 is holding 11,04,820 Class A Equity Shares and 19,56,00,000 Class B Equity Shares. Yashasvi Holdings Private Limited having its registered office at 84-A, Mittal Court, 8th Floor, 224, Nariman Point, Mumbai 400021 is holding 10,51,540 Class A Equity Shares and 18,61,51,000 Class B Equity Shares. Reliance Industries Limited having its registered office at 3rd Floor, Maker Chambers IV, 222 Nariman Point, Mumbai 400021 is holding 19,90,000 Class A Equity Shares. Reliance Ports And Terminals Limited having its registered office at Admin Building, MTF Area, Village Sikka, Taluka & District Jamnagar, Jamnagar 361140 is holding 3,30,000 Class A Equity Shares. Reliance Retail Limited having its registered office at 9th Floor, Maker Chambers IV, 222, Nariman Point, Mumbai 400021 is holding 2,80,000 Class A Equity Shares. Vayudoot Finance And Leasing Company Private Limited having its registered office at 84-A, Mittal Court, 8th Floor, 224, Nariman Point, Mumbai 400021 is holding 10,09,360 Class A Equity Shares and 17,86,36,000 Class B Equity Shares. Riyaz Trading Private Limited having its registered office at 84-A, Mittal Court, 8th Floor, 224, Nariman Point, Mumbai 400021 is holding 2,02,020 Class A Equity Shares and 3,58,00,000 Class B Equity Shares. Reliance Life Sciences Private Limited having its registered office at Dhirubhai Ambani Life Sciences Center, R-282 TTC Area of MIDC, Thane Belapur Road, Rabale, Navi Mumbai 400701 is holding 1,18,400 Class A Equity Shares and 2,10,00,000 Class B Equity Shares. Vicraze Investments and Trading Co Pvt Ltd having its registered office at 84-A, Mittal Court, 8th Floor, 224, Nariman Point, Mumbai 400021 is holding 17,70,080 Class A Equity Shares and 31,34,00,000 Class B Equity Shares.

**(b) List of holders of Non Convertible Debentures outstanding as on March 31, 2009**

NIL

**13) UNDERTAKING- COMMON FORM OF TRANSFER**

The Debentures shall be transferred subject to and in accordance with the rules and procedures as prescribed by the NSDL / CDSL / Depository Participant of the transferor / transferee and any other applicable laws and rules notified in respect thereof.

The normal procedure followed for transfer of securities held in the dematerialized form shall be followed for transfer of the Debentures, issued in terms of the Disclosure Document and held in electronic form. The seller should give delivery instructions containing details of the buyer's depository account to his Depository Participant.

The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid / redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Company.

The Company is issuing the Debentures only in the dematerialized form and hence there is no physical holding of the Debentures being issued in terms of the Disclosure Document. The Company undertakes that it shall use a common form / procedure for transfer of the Debentures issued under the terms of the

Disclosure Document, if at a later stage there is some holding in the physical form due to the Depository giving re-materialisation option to any investor.

#### 14) REDEMPTION

Redemption Amount: Rs. 500 Crores

Period of Maturity: Tranches of Rs. 200 Crores and Rs. 300 Crores at the end of 4th and 5th year respectively from the Date of Allotment or on exercise of the Put / Call option at the end of 3 years from the Date of Allotment, which ever is earlier.

Yield on Redemption: Redemption at par with a Coupon Rate of 9.45% per annum

#### 15) INFORMATION RELATING TO THE TERMS OF OFFER

##### Issue Size and Nature of Instrument

The Company proposes to raise Rs.500 Crores (Rupees Five Hundred Crores) through the issue of 5,000 (Five Thousand) Unsecured Redeemable Non-Convertible Debentures - PPD 1 with a Face Value of Rs.10,00,000/- (Rupees Ten Lacs only) each by way of a Private Placement.

##### Market Lot

The market lot will be one Debenture ("Market Lot"). Since the Debentures are being issued only in dematerialised form, the odd lots will not arise either at the time of issuance or at the time of transfer of Debentures.

##### Listing

The Debentures would be listed on the Wholesale Debt Market (WDM) segment of Bombay Stock Exchange Limited (BSE), which will be the designated stock exchange for the Issue ("Designated Stock Exchange"). The Company shall comply with the requirements of the Listing Agreement, to the extent applicable to it, on a continuous basis.

##### Coupon Rate

The Coupon Rate on the Debentures is 9.45% per annum.

##### Who can invest

The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures:

- Companies and Bodies Corporate including Public Sector Undertakings
- Commercial Banks
- Regional Rural Banks
- Financial Institutions
- Insurance Companies

All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue.

**Documents to be provided by Investors**

Investors need to submit the following documents, along with the subscription form, as applicable

- Memorandum and Articles of Association
- Resolution / letter authorizing the investment
- Certified true copy of the Power of Attorney
- Form 15AA for investors seeking exemption from Tax Deduction at Source (TDS) – both on Interest on Subscription Money as well as annual interest payments
- Specimen signature of the authorised signatories, duly certified by an appropriate authority
- PAN to be submitted

**Date of Subscription**

Date of Subscription shall be the date of realization of proceeds of subscription money in the bank account of the Company.

**Details of subscription/ Mode of payment**

Subscription should be made for a minimum of 50 Debentures (Rs.5 Crore) and in multiples of 10 Debentures (Rs. 1 Crore) thereafter.

All cheques/demand drafts should be in favour of “Reliance Utilities and Power Private Limited” and crossed “Account Payee Only”. Alternatively investors can remit their subscription money by way of electronic transfer of funds through the RTGS mechanism for credit in the account of “Reliance Utilities and Power Private Limited” as per the following details:

Bank:	Axis Bank Limited
Branch:	Atlanta Building, Nariman Point, Mumbai 400021
Bank Account No:	173010200004152
IFSC Code No.:	UTIB0000173

**Date of Allotment**

The Date of Allotment shall be within 4 Business days from the Issue Closing Date. The Company shall allot the Debentures and issue and credit the Letter of Allotment in the beneficiary account of the investor(s) with NSDL / CDSL / Depository Participant (“Beneficiary Account”).

**Depository Arrangements**

The Company has appointed Karvy Computershare Private Limited, as the Registrar for the Issue. The Company has made necessary depository arrangements with NSDL and CDSL for the Issue and holding of Debentures in the dematerialised form by investors.

Investors can hold the Debentures only in the dematerialised form and deal with the same as per the provisions of Depositories Act, 1996 as amended from time to time.

**Interest on Subscription Money**

Interest on subscription money is payable at the applicable Coupon Rate (subject to deduction of tax at source at prevailing rates) from the Date of Subscription till one day prior to the Date of Allotment.

Interest will be paid on the entire subscription money on all valid subscriptions and will be paid to the investor on the Date of Allotment. No interest will be payable in case of invalid subscriptions.

**Interest on Debentures**

Interest shall accrue, at the Coupon Rate, on the outstanding value of the Debentures from the Date of Allotment and the payment shall be made at the end of every year from the Date of Allotment, subject to deduction of tax at source at prevailing rates.

Interest on Debentures shall accrue to the Debenture holders / beneficiaries ("Beneficiaries") as per the beneficiary list provided by the Depository as on the Record Date. If any of the interest payment date(s) fall on a day which is not a Business Day, then payment of interest will be made on the next Business Day.

**Computation of Interest**

All interest accruing on the Face Value of the Debenture shall accrue from day to day and be calculated on the basis of the actual number of days elapsed and a year of 365 days (or 366 days in case of a leap year), at the applicable Coupon Rate and rounded off to the nearest Rupee.

**Put or Call Option**

Investors shall have the right to offer the Debentures for redemption at Face Value, in parts or in full, by way of a put option at the end of 3 years from the Date of Allotment. ("Put Option")

The Company has the right to repurchase the Debentures at Face Value, in parts or in full, by way of a call option at the end of 3 years from the Date of Allotment. ("Call Option")

Investors can exercise the Put Option by issuing a written notice to the Company, specifying the date of redemption, which shall in no case be less than 30 days from the date of receipt of such notice by the Company ("Put Option Notice").

The Company can exercise the Call Option by issuing a Notice to Debenture holders / beneficiaries, specifying the date of redemption, which shall in no case be less than 30 days from the date of such notice by the Company ("Call Option Notice").

**Redemption**

The Debentures will be redeemed at par on the earlier of (a) tranches of Rs. 200 Crores and Rs. 300 Crores at the end of 4th and 5th year respectively from the Date of Allotment or (b) the date of redemption as specified in the Put Option Notice or Call Option Notice. The applicable date as above shall be the maturity date for the Debentures ("Maturity Date").

The Debentures will not carry any obligation, for interest or otherwise, after the Maturity Date. The Debentures held in the dematerialised form shall be taken as discharged on payment of the redemption amount by the Company on maturity to the registered Debenture holders whose name appear in the Register of Debenture holders on the Record Date. Such payment will be a legal discharge of the liability of the Company towards the Debenture holders.

In case if the Maturity Date falls on a day which is not a Business Day, then the payment due shall be made on the next Business Day together with additional interest at Coupon Rate for the intervening period.

Payment on the Maturity Date will be made by way of cheque(s) / redemption warrant (s) / demand draft(s) / credit through the RTGS system in the name of the Debenture holders whose names appear on the List of Beneficial Owners given by Depository to the Company as on the Record Date.

### **Record Date**

The Record Date for the Debentures shall be 7 days prior to the date of each of the interest payments and/or the Maturity Date.

Interest and/or principal repayment shall be made to the person whose name appears as sole / first in the register of Debenture holders/ beneficiaries on the Record Date. In the event of the Company not receiving any notice of transfer at least 7 days before the respective due date of payment of interest and at least 7 days prior to the Maturity Date, as the case may be, the transferees for the Debentures shall not have any claim against the Company in respect of interest so paid to the registered Debenture holders.

In case of those Debentures for which the beneficial owner is not identified by the Depository as on the Record Date, the Company would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to the Company, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days from the date of such notification by the Depository.

### **Deduction of Tax at Source**

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. For seeking TDS exemption/lower rate of TDS, relevant certificate(s)/ document(s) must be lodged at least 15 days before the payment of interest becoming due with the Registrar or to such other person(s) at such other address (es) as the Company may specify from time to time through suitable communication.

Tax exemption certificate/ declaration of non-deduction of tax at source on interest on subscription money, should be submitted along with the subscription form. Where any deduction of Income Tax is made at source, the Company shall send to the Debenture holder(s) a Certificate of Tax Deduction at Source.

Regarding deduction of tax at source and the requisite declaration forms to be submitted, prospective investors are advised to consult their own tax consultant(s).

### **Effect of Holidays**

Should any of dates defined in the Disclosure Document, excepting the Date of Allotment, fall on a day which is not a Business Day, the next business day shall be considered as the effective date(s).

Business Day means a day which is not a Sunday or a public holiday and on which high value clearing facility is available in Mumbai.

### **List of Debenture holders / Beneficiaries**

The Company shall request the Depository to provide a list of Debenture holders / Beneficiaries at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be.

### **Future Borrowings**

The Company shall be entitled to borrow / raise loans or avail of financial assistance in whatever form as also issue Debentures / Notes / other securities in any manner with ranking as pari-passu basis or otherwise and to change its capital structure, including issue of shares of any class or redemption or reduction of any class of paid up capital, on such terms and conditions as the Company may think

appropriate, without the consent of, or intimation to, the Debenture holder(s) or the Debenture Trustee in this connection.

#### **Purchase/ Sale of Debentures**

The Company may, at any time and from time to time, purchase Debentures at discount, at par or at premium in the open market or otherwise in accordance with the applicable laws. Such Debentures, at the option of the Company, may be cancelled, held or resold at such price and on such terms and conditions as the Company may deem fit and as permitted by law.

#### **Right to Re-Issue of Debentures**

Where the Company has redeemed any such Debentures, subject to provisions of Section 121 of The Companies Act, 1956 and other applicable provisions, the Company shall have and shall be deemed always to have had the right to keep such Debentures alive for the purpose of re-issue and in exercising such right, the Company shall have and shall be deemed always to have had the power to re-issue such Debentures as per the provisions of law either by reissuing the same Debentures or by issuing other Debentures in their place.

#### **Debenture Redemption Reserve**

Adequate Debenture Redemption Reserve will be created by the Company, as per applicable statutory provisions.

#### **Notice(s)**

All notices to the Debenture holder(s) required to be given by the Company or the Debenture Trustees from time to time, shall be deemed to have been given if sent by registered post / by courier to the sole / first allottee or the sole / first beneficial owner of the Debentures, as the case may be, or if published in one English and one regional language daily newspaper in Mumbai and Gujarat.

All notice(s) to be given by the Debenture holder(s) shall be sent by registered post or by hand delivery to the Company or to such persons at such address as may be notified by the Company from time to time through suitable communication.

#### **Tax Benefits to the Debenture holders of the Company**

The holder(s) of the Debentures are advised to consider in their own case, the tax implications in respect of subscription to the Debentures after consulting their own tax advisor/ counsel.

#### **Disputes & Governing Law**

The Debentures are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof will be subject to the exclusive jurisdiction of the courts at Ahmedabad (Gujarat) in India.

#### **Consents**

The consents in writing of Registrar to the Issue and the Debenture Trustee to act in their respective capacities have been obtained.

#### **Underwriting of the issue**

The Issue has not been underwritten.

**16) DISCOUNT AT WHICH SUCH OFFER IS MADE AND EFFECTIVE PRICE FOR INVESTOR AS A RESULT OF SUCH DISCOUNT**

The Debentures are being offered for cash at par and not at any discount to any investors.

**17) DEBT EQUITY RATIO PRIOR TO AND AFTER THE ISSUE OF THIS SECURITY**

	Prior to the Issue*	After the Issue**
Debt Equity <sup>#</sup> Ratio	0.23	0.40

\* Data as on March 31, 2009. \*\* Assuming an Issue Size of Rs.500 crore.

# Equity includes both classes of equity shares issued by the Company.

**18) SERVICING BEHAVIOUR ON EXISTING DEBT SECURITIES, PAYMENT OF DUE INTEREST ON DUE DATES ON TERM LOANS AND DEBT SECURITIES**

The Company has redeemed all debt securities issued in the past on respective due dates and there are no debt security outstanding as on March, 31 2009. In respect of all existing term loans, the Company has made all the required payments, including payment of interest and principal on the respective due dates as per the original terms.

**19) PERMISSION FROM THE PRIOR CREDITORS FOR CREATION OF PARI PASSU CHARGE**

The Company is not proposing to create any security on the Debentures and hence no permission is required from the prior creditors.

**20) NAME AND ADDRESS OF DEBENTURE TRUSTEE**

Axis Trustee Services Limited,  
6th Floor, "F" Wing, Maker Towers,  
Cuffe Parade, Colaba,  
Mumbai 400 005  
Tel: 91- 22 – 6707 2041  
Fax: 91 -22 – 2218 2574  
email: neelesh.baheti@axistrustee.com

Consent Letter from the Debenture Trustee is attached as Annexure – I

**21) RATING RATIONALE ADOPTED BY RATING AGENCY**

CARE has assigned "AAA (SO)" rating ("TRIPLE A Structured Obligation") for the issue of debentures aggregating to a sum of Rs. 500 Crores. The rating is based on unconditional guarantee of Reliance Ports and Terminals Limited for timely servicing of interest and redemption of Debentures

The rating indicates that the degree of safety with regard to timely payment of interest and principal is the highest. The rating letter issued by CARE is attached as Annexure – II

**22) NAME OF STOCK EXCHANGE AND IN PRINCIPLE APPROVAL LETTER**

The Debentures are proposed to be listed with the following stock exchange(s):

Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street  
Mumbai- 400 001

The Company has obtained in principle approval from the stock exchange.

**23) A TERM SHEET CONTAINING FOLLOWING DETAILS OF SECURITIES TO BE ISSUED**

<b>Issuer</b>	Reliance Utilities and Power Private Limited
<b>Instrument</b>	Unsecured Redeemable Non-Convertible Debentures – PPD 1 (“Debenture”)
<b>Credit Rating</b>	“AAA (SO)” by CARE
<b>Issue Size</b>	Rs. 500 Crores
<b>Face Value</b>	Rs.10,00,000/- per Debenture
<b>Minimum Subscription</b>	50 Debentures and in multiples of 10 thereafter
<b>Tenor</b>	5 years from the Date of Allotment.
<b>Redemption</b>	At par, in two tranches of Rs. 200 Crores and Rs. 300 Crores at the end of 4th and 5th year respectively from the Date of Allotment
<b>Put / Call Option</b>	At par, at the end of 3 years from the Date of Allotment
<b>Coupon Rate</b>	9.45% per annum
<b>Coupon Payment</b>	Interest shall accrue at the Coupon Rate, on the outstanding value of the Debentures from the Date of Allotment and the payment shall be made at the end of every year from the Date of Allotment
<b>Interest on Subscription Money</b>	Interest shall be payable at the Coupon Rate from the Date of Subscription till one day prior to the Date of Allotment
<b>Date of Subscription</b>	Date of Subscription shall be the date of realisation of the proceeds of subscription in the bank accounts of the Issuer
<b>Security</b>	Unsecured
<b>Mode of Issue and Trading</b>	Private Placement in Demat mode.
<b>Listing</b>	At WDM Segment of BSE.
<b>Sole Arranger</b>	Axis Bank Ltd
<b>Depository</b>	NSDL/CDSL
<b>Debenture Trustee</b>	Axis Trustee Services Limited
<b>Issue Opening Date</b>	28 <sup>th</sup> May 2009
<b>Issue Closing Date</b>	1 <sup>st</sup> June 2009
<b>Date of Allotment</b>	Within 4 Business Days from the Issue Closing Date

For Reliance Utilities And Power Private Limited

Authorised Signatory

Date: May 28, 2009

Place: Mumbai

**ANNEXURE – I**  
**CONSENT FROM AXIS TRUSTEE SERVICES LIMITED**  
**TO ACT AS THE DEBENTURE TRUSTEE**



ATSL/CO/09-10/169  
May 26, 2009

Reliance Utilities and Power Private Limited  
3rd Floor, Maker Chambers IV,  
222, Nariman Point,  
Mumbai 400 021

Kind Attn: Smt. Shashikala Rao

Madam,

Sub: Debenture Trustees to proposed NCDs aggregating Rs.500 Crores of Reliance Utilities and Power Private Limited

We Axis Trustee Services Limited hereby consent to act as Debenture Trustees to the abovementioned issue of Debentures and are agreeable to the inclusion of our name as Debenture Trustees in the Information Memorandum and/or application to be made to the Stock Exchange for the listing of Debentures.

Yours truly,  
For Axis Trustee Services Limited

For Neelesh Baheti  
Chief Operating Officer

AXIS TRUSTEE SERVICES LTD.

CORP.OFFICE : Maker Towers F Wing, 6th Floor, Cuffe Parade, Colaba, Mumbai - 400 005. Tel : 022-6707 4407 Fax : 022-2218 2574

**ANNEXURE – II**  
**RATING ISSUED BY CARE**



**CREDIT ANALYSIS & RESEARCH LTD.**

4<sup>th</sup> Floor, Godrej Coliseum,  
Somaiya Hospital Road,  
Off Eastern Express Highway,  
Sion (East), Mumbai - 400 022, INDIA.  
☎ : 67543456 Fax : (022) 67543457  
E-mail : care@careratings.com  
www.careratings.com

Reliance Utilities & Power Private Limited  
CPP Control Room  
Village Padana, Taluka Lalpur  
District Jamnagar – 361 280  
Gujarat

Kind Attn: Shri K.R. Raja

May 26, 2009

**Confidential**

Dear Sir,

**Credit rating for proposed long term non-convertible debenture issue aggregating to Rs.500 crore.**

Please refer to your request for rating of proposed long-term non-convertible debenture (NCD) issue aggregating to Rs.500 crore of Reliance Utilities and Power Private Limited (RUPPL). The proposed NCDs would have tenure of three years.

2. Our Rating Committee has assigned a 'CARE AAA (SO)' [Triple A (Structured Obligation)] rating to the proposed NCD issue. Instruments with this rating are considered to be of the best credit quality, offering highest safety for timely servicing of debt obligations. Such instruments carry minimal credit risk. Our rating symbols for various medium and long term instruments (including NCDs) are annexed. The rationale for the rating will be communicated to you separately.
3. **The rating is based on unconditional, irrevocable guarantee of Reliance Ports and Terminals Limited (RPTL) for timely servicing of debt obligations.**
4. Please send us a written confirmation regarding your acceptance of the rating assigned and use thereof, as early as possible, but in any case within two weeks from the date of this letter. Unless accepted, the rating cannot be used in any manner whatsoever.
5. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of **six months** from the date of this letter.
6. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.



7. Please inform us the details of issue [date of issue, name of investor, amount issued, interest-rate, date of payment of interest, date and amount of repayment etc.] as soon as the NCDs have been placed.
8. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.
9. A formal surveillance/review of ratings is normally done on the expiry of one year from the date of initial rating/last review of the rating. However, CARE reserves the right to undertake a surveillance/review of the rating more than once a year (including any time before the expiry of one year from the date of initial rating) if in the opinion of CARE, circumstances warrant such a surveillance/review.
10. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material or clarifications as may be required by CARE. CARE shall also be entitled to publicize/disseminate such suspension/withdrawal/revision in the assigned rating in any manner considered appropriate by it, without reference to you.
11. CARE ratings are **not** recommendations to buy, sell or hold any securities.
12. If you need any clarification, you are welcome to approach us in this regard. We are, indeed, grateful to you for entrusting this assignment to CARE.

Thanking you,

Yours faithfully,

  
[Umeshpratap Singh]  
Senior Manager

  
[Revati Kasture]  
Jt. General Manager

Encl : As above

**Disclaimer**

CARE's ratings are opinions on credit quality and are not recommendations to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most issuers of securities rated by CARE have paid a credit rating fee, based on the amount and type of securities issued.



**Annexure**  
**Long /Medium -term instruments (NCD/FD/CD/SO/CPS/RPS)**

Symbols	Rating Definition
<b>CARE AAA</b>	Instruments with this rating are considered to be of the best credit quality, offering highest safety for timely servicing of debt obligations. Such instruments carry minimal credit risk.
<b>CARE AA</b>	Instruments with this rating are considered to offer high safety for timely servicing of debt obligations. Such instruments carry very low credit risk.
<b>CARE A</b>	Instruments with this rating are considered to offer adequate safety for timely servicing of debt obligations. Such instruments carry low credit risk.
<b>CARE BBB</b>	Instruments with this rating are considered to offer moderate safety for timely servicing of debt obligations. Such instruments carry moderate credit risk.
<b>CARE BB</b>	Instruments with this rating are considered to offer inadequate safety for timely servicing of debt obligations. Such instruments carry high credit risk.
<b>CARE B</b>	Instruments with this rating are considered to offer low safety for timely servicing of debt obligations and carry very high credit risk. Such Instruments are susceptible to default.
<b>CARE C</b>	Instruments with this rating are considered to be having very high likelihood of default in the payment of interest and principal.
<b>CARE D</b>	Instruments with this rating are of the lowest category. They are either in default or are likely to be in default soon.

*As instrument characteristics or debt management capability could cover a wide range of possible attributes whereas rating is expressed only in limited number of symbols, CARE assigns '+' or '-' signs to be shown after the assigned rating (wherever necessary) to indicate the relative position within the band covered by the rating symbol.*

*4*