

INFORMATION MEMORANDUM FOR ISSUE OF DEBENTURES

Private & Confidential – For Private Circulation Only
(This Information Memorandum is neither a Prospectus nor a Statement in Lieu of a Prospectus and has been prepared in accordance with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and as amended in 2012
 Dated: September 2, 2013
 Serial No. 1

PATEL KNR HEAVY INFRASTRUCTURES LIMITED

Registered Office: KNR House, 4th Floor, Plot no. 114, Phase – I, Kavuri Hills, Hyderabad - 500033
Tel. No.: 040-40268759; **Fax:** 04040268760; **Email:** maheepalreddy.b@gmail.com

Our company was incorporated on April 20, 2006 as Patel KNR Heavy Infrastructures Private Limited under the provisions of Companies Act, with CIN No. U70102AP2006PLC049949. Our company received the Certificate of Incorporation from the Registrar of Companies, Hyderabad.

INFORMATION MEMORANDUM FOR ISSUE BY WAY OF PRIVATE PLACEMENT BY PATEL KNR HEAVY INFRASTRUCTURES LIMITED (THE "ISSUER") OF SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES ("DEBENTURES") OF A FACE VALUE OF INR 1,00,000 EACH WITH MARKETABLE LOT OF ONE DEBENTURE FOR CASH AGGREGATING TO INR 4000 MILLION (THE "ISSUE") IN THE NATURE OF SEPARATELY TRANSFERABLE REDEEMABLE PRINCIPAL PARTS ("STRPPs") AND STRUCTURED IN THE FORM OF 6 (SIX) DIFFERENT SERIES.

GENERAL RISKS

Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. For taking an investment decision, the investors must rely on their own examination of the Issuer 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 Information Memorandum.

ISSUERS ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to the company and the Issue, which is material in the context of the Issue, that the information contained in this Information Memorandum is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

CREDIT RATING

"AAA (SO)" (pronounced as "Triple A (Structured Obligation)") by Credit Analysis & Research Limited ("CARE") for INR 4000 million Non-Convertible Debenture programme by the Issuer. The ratings are opinions on credit quality and not a recommendation to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The rating agency has based its ratings on information based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omission or for the results obtained from the use of such information. Most entities whose bank facilities/ instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

LISTING

The Debentures are proposed to be listed on the Whole Sale Debt Market Segment ("WDM Segment") of the BSE Limited ("BSE" "Stock Exchange"). The BSE pursuant to its letter dated August 28, 2013 has given its in-principle approval to list the Debentures.

ISSUE PROGRAMME

ISSUE OPENING DATE	ISSUE CLOSING DATE
SEPTEMBER 3, 2013*	SEPTEMBER 3, 2013*

*The Issuer reserves the right to change the Issue time table including the Deemed 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 Information Memorandum filed with the Stock Exchange and other documents in relation to the Issue.

LEAD ARRANGER	SOLE SUBSCRIBER	DEBENTURE TRUSTEE	REGISTRARS TO THE ISSUE
 Standard Chartered Bank Address: Crescenzo, 5 th Floor, C-38/39 G Block, Bandra Kurla Complex, Mumbai 400 051 Tel: (022) 61158934 Fax: (022) 61157000 Email: hitesh.girish@sc.com Contact Person: Mr. Hitesh Girish Website: www.standardchartered.co.in	 L&T Infrastructure Finance Company Limited Address: 3B, Laxmi Towers, 1st Floor, Bandra Kurla Complex, Bandra East, Mumbai 400 051 Tel: (022) 40605356 Fax: (022) 40605353 Website: www.ltinfra.com Email: pawan.soni@ltinfra.com Contact Person: Pawan Soni	 IDBI Trusteeship Services Limited Address: Asian Building, Ground Floor 17, R. Kamani Marg Ballard Estate, Mumbai – 400 001 Tel: +91 22 40807000 Fax: +9122 - 66311776 Email: sarita.iyer@idbitrustee.com Contact Person: Sarita Iyer Website: www.idbitrustee.co.in	 Bigshare Services Private Limited Address: E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka, Andheri(E), Mumbai - 400 072. Tel: +91-22 - 40430200 Fax: 91-22-2847 5207 Website: www.bigshareonline.com

DISCLAIMER: This Information Memorandum is as per Schedule I under SEBI (Issue and Listing of Debt Securities) Regulations, 2008 dated June 6, 2008, as amended from time to time. This Information Memorandum is strictly for a private placement and is only an information brochure intended for private use. Nothing in this Information Memorandum shall constitute and/or be deemed to constitute an offer or an invitation to an offer to the Indian public or any section thereof to subscribe for or otherwise acquire the Debentures in general. This Information Memorandum should not be construed to be a prospectus or a statement in lieu of prospectus under the Companies Act. This Information Memorandum and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly and specifically through a communication by the Company and only such recipients are eligible to apply for the Debentures. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue. Further, since the issue is being made on a private placement basis, the provisions of Section 60 of the Companies Act shall not be applicable and accordingly, a copy of this Information Memorandum has not been filed with the RoC or the SEBI. Therefore, as per the applicable provisions of law, copy of this information Memorandum has not been filed or submitted to the SEBI for its review and/or approval.

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DEFINITIONS AND ABBREVIATIONS

Abandoned or Abandon	The cessation or suspension of performance of obligations by the Issuer in respect of the whole or any material part of the Project. The Issuer shall be deemed to have abandoned the Project if it shall make or fail to make a decision, or shall take or fail to take any action clearly indicating the cessation of performance by it of its obligations in respect of the Project for reasons other than Force Majeure; and the terms Abandon and Abandoned shall be construed accordingly
Account	Escrow Account or any sub-account of the Escrow Account, and the term “Accounts” means all of them together
Act	The Companies Act, 1956 (as amended, modified and/or supplemented, from time to time) and/or any other law enacted by the Parliament of India to consolidate and amend the law relating to companies.
Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to the Issue
Annuity	The annuity amounts payable by the Project Authority to the Issuer in accordance with the terms and conditions of the Concession Agreement (including Article VI of the Debenture Trust Deed)
Annuity Payment Date	shall have the meaning assigned to such term in the Concession Agreement;
Annual Redemption Reserve Amount	The amount to be maintained by the Issuer, equivalent to or greater than the requirements specified in Applicable Law (including Section 117C of the Act and the circular 04/ 2013 (No. 11/02/2012-CL-V) of the Ministry of Corporate Affairs
Application Form	The form used by an Investor to apply for subscription to the Debentures offered through this Issue and set out in Annexure 4 hereto
Applicable Law	Any statute, national, state, provincial, local, municipal, foreign, international, multinational or other law, treaty, code, regulation, ordinance, rule, judgment, order, decree, bye-law, approval of any governmental authority, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law of any of the foregoing by any governmental authority having jurisdiction over the matter in question, whether in effect as of the date of the Debenture Trust Deed or at any time thereafter
Approved Instructions	The prior written instructions of the Majority Debenture Holders as provided in the Debenture Trust Deed
Associate or Affiliate	means, in relation to any Person, entity Person directly or indirectly Controlling, Controlled by or under common Control with such first Person
Authorised Investment	<ul style="list-style-type: none"> (a) Government of India securities (which will include bonds, treasury bills or debt instruments issued by the Government of India or any of its statutory boards or any company which is a wholly-owned subsidiary, directly or indirectly of the Government of India); (b) deposits in interest-bearing bank accounts, fixed term deposits, negotiable certificates of deposit, promissory notes and similar interests issued by scheduled commercial banks or financial institutions with a local currency credit rating of at least AAA by CRISIL or equivalent ratings by Fitch Ratings India Private Limited; and (c) bonds or debt instruments issued by companies with a local currency credit rating of at least AAA by CRISIL or equivalent ratings by Fitch India Private Limited.
Base Case Business Plan	The financial model setting out the projection of revenues and expenses and cash flows with respect to the Project, updated from time to time in line with the requirements under the Project Documents, as approved by Trustee (acting on Approved Instructions) and as set out in Schedule 5 of the Debenture Trust Deed stating the base case business plan contained therein
Board or Board of Directors	Board of Directors of the Issuer
BSE	BSE Limited
Business	The business of implementation, operation and maintenance of the Project on

	annuity basis in accordance with the terms and conditions of the Concession Agreement
Business Day	A day (other than Sunday or a bank holiday) on which banks and stock exchanges are open for general business in Mumbai and in relation to any payment in any other city, such other city
CARE	Credit Analysis & Research Limited, a company incorporated in accordance with the provisions of the Act
CDSL	Central Depository Services (India) Limited
Clearances	Any Governmental Approvals for fulfilling the obligations of the Issuer under the Transaction Documents including the construction, operation, and maintenance of the Project, and for all such other matters as may be necessary in connection with the Project or the performance of any Person's obligations under any Transaction Document including those mentioned in the Concession Agreement
Company /Issuer	Patel KNR Heavy Infrastructures Limited, a company incorporated under the Companies Act, 1956 and having its registered office at KNR House, 4th Floor, Plot no. 114, Phase – I, Kavuri Hills, Hyderabad - 500033
Commercial Operation Date or COD	shall have the meaning ascribed to it in the Concession Agreement
Concession	shall have the meaning ascribed to it in Article III of the Concession Agreement
Concession Agreement	The concession agreement dated September 5, 2007, entered into between the Issuer and the NHAI in relation to the Project
Concession Fees	shall have the meaning ascribed to it in Article VII A of the Concession Agreement
Concession Period	shall have the meaning ascribed to it in the Concession Agreement
Control, Controlling, Controlled by and under common Control with	(including with correlative meaning, the terms, “Controlling”, “Controlled by” and “under common Control with”), with respect to a Person, shall mean: (a) the legal or beneficial ownership or control (either singly or together with any other Person) of more than 50% (fifty per cent) of the voting rights or of the issued share capital of such Person; or (b) the right to appoint and/or remove (either singly or together with any other Person) all or the majority of the members of the board of directors or other governing body of such Person; or (c) the power (either singly or together with any other Person) to direct or cause the direction of the management and/or remove all or the majority of the members of the board of directors or other governing body of such Person.
Contractor(s)	The EPC Contractor, O&M Contractor or any other Person engaged by the Issuer or the Trustee for development and implementation of the Project in accordance with the terms of the Concession Agreement but does not include a person who has entered into any agreement or understanding for providing any Debt to the Issuer
Credit Rating Agency(ies)	CARE and/or any other credit rating agency, registered with SEBI appointed for rating this Issue
Creore (s)	1 creore = 10 million
Date of Allotment	The date on which Allotment for the Issue is made
DSRA	A current account opened or to be opened by the Company with the Escrow Bank for the purpose of holding the DSRA Amount
DSRA Amount	An amount equal to Rs. 35,00,00,000 (Rupees Thirty Five Creore Only)
Debentures/NCDs	Each of Series A Debentures, Series B Debentures, Series C Debentures, Series D Debentures, Series E Debentures and Series F Debentures, or any of them, as the

	case may be
Debt Service Coverage Ratio or DSCR	means, on any date, in respect of any period, the ratio of (i) is to (ii) below: (i) the aggregate of (a) profit after tax computed based on Project revenues realised in cash (excluding non cash adjustments); (b) depreciation and amortisation for such period (c) interest and commissions payable for such period; (d) financing costs payable for such period; (ii) an amount equal to the sum of (a) interest, guarantee, commission and financing costs payable under the debt obligations of the Issuer, (b) Redemption Amounts; (c) the repayment instalments (including working capital loans and hedge counter party debts) or redemption amount to be paid under any financing agreement; and (d) redemption amount including any premium under redeemable preference shares or foreign currency convertible bonds for that period
Debenture Holder(s)	The persons who are, for the time being and from time to time, the holders of the Debentures and whose names appear in the Register of Beneficial Owners, and “Debenture Holder” means each such person
Debenture Holder Account (s)	The bank accounts of each of the Debenture Holders linked to the demat accounts where their respective Debentures will be held, in which all Interest, Redemption Amount(s) and Early Redemption Amount (if applicable) shall be deposited in accordance with the provisions contained in the Debenture Trust Deed
Debenture Redemption Reserve or DRR	The debenture redemption reserve to be created and maintained in accordance with the Act and in accordance with any guidelines issued by SEBI, and if during the currency of these presents any guidelines are formulated (for modified or revised) by any Governmental Authority having authority under Applicable Law in respect of creation of the debenture redemption reserve
Debenture Trustee	The Trustee for the Debenture Holder(s), in this case being IDBI Trusteeship Services Limited
Debenture Trustee Agreement	The debenture trustee agreement dated August 28, 2013 entered into between the Issuer and the Trustee for the appointment of the Debenture Trustee as a trustee for the Debenture Holders, setting out the terms of the Debenture Trustee’s appointment
Debenture Trustee Regulations	The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time.
Debenture Trust Deed	The debenture trust deed dated August 29, 2013 to be executed between the Debenture Trustee and the Issuer in relation to the Issue, as may be amended, modified, supplemented, novated and/or restated from time to time.
Debt	at any time all the amounts payable by the Issuer to the Secured Parties or any other person, pursuant to the terms of the Finance Documents (in each case, whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently, and whether as principal, surety or otherwise), including the following amounts: (a) the principal amount of all the Debentures, the Interest, the Default Interest, Early Redemption Costs, and Further Interest; (b) any Increased Costs; (c) all other monies, debts and liabilities of the Issuer, including indemnities, liquidated damages, costs, charges, expenses and fees and interest incurred under, arising out of or in connection with the Finance Documents; (d) fees, cost and expenses of the Trustee, agents, delegates, receivers and custodians appointed by or for the benefit of the Secured Parties; (e) any and all sums expended by the Debenture Holders, or the Trustee on their behalf, or by any other person in order to create or preserve any Security Interest; and (f) any and all costs, expenses, fees and duties for the enforcement and collection of any amounts due under the Finance Documents, including costs, expenses, fees and duties of enforcement and realisation of the Security Interest and costs and expenses set out in the Debenture Trust Deed.

Debt Listing Regulations	The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended by the Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 and as amended from time to time
Deed of Hypothecation	The deed of hypothecation entered into or to be entered into between the Issuer and the Trustee creating a first ranking and pari passu charge on the Hypothecated Property
Deemed Date of Allotment	Each of Series A Deemed Date of Allotment, Series B Deemed Date of Allotment, Series C Deemed Date of Allotment, Series D Deemed Date of Allotment, Series E Deemed Date of Allotment, and Series F Deemed Date of Allotment, or any of them, as the case may be.
Default Interest	Upon the non-payment of any amounts payable under any series of Debentures, the Issuer, upon being directed by the Trustee shall also pay a default interest at a rate of 2.00% (two percent) per annum over and above the relevant Interest payable on the entire amount outstanding under such series of Debentures. Such Default Interest computed from the date of the occurrence of such failure to make payment of appropriate amounts till the date such default is remedied to the satisfaction of the Debenture Trustee (acting on Approved Instructions), and all such sums and costs shall be added to the Debt and be secured by the Security and shall be immediately due and payable on demand and in the absence of any such demand, on the next Interest Payment Date falling after the date of Payment Default.
Depository(ies)	National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL)
Early Redemption Amount	The amount to be paid by the Issuer to the Debenture Holders on account of redemption of the Debentures on an Early Redemption Date including (a) the Redemption Amount, (b) the accrued but unpaid Interest, (c) the Early Redemption Costs, (d) liquidated damages, Default Interest and any other amounts due thereon and (e) other costs, charges and expenses incurred by the Debenture Holders or the Debenture Trustee under or in connection with the Debenture Trust Deed and other Transaction Documents
Early Redemption Costs	The costs and expenses (including any break costs) as anticipated by the Debenture Holders (as applicable) to be payable by the Company in relation to the redemption of any Debentures on an Early Redemption Date, at the sole discretion of such Debenture Holder(s), and which amount shall be intimated by the Trustee (acting on the written instructions of the Trustee (on behalf of each such Debenture Holder)) to the Company at the time of such early redemption
Early Redemption Date	a) a date on which a Mandatory Redemption Event occurs; or b) any date other than a Scheduled Redemption Date or Final Redemption Date on which each or any of the Debentures are required to be redeemed;
ECB Arranger	Standard Chartered Bank, including any of its assignees or transferors
ECB Facility	USD. 25,000,000 (US Dollars Twenty Five million) facility extended by the ECB Lender and availed by the Issuer for the Project in accordance with ECB Facility Agreement
ECB Facility Agent	Standard Chartered Bank, including any of its assignees or transferors;
ECB Lender	Standard Chartered Bank, London Branch, including any of its assignees or transferors
ECB Facility Agreement	A facility agreement entered into between the Issuer and the ECB Lender in relation to the ECB Facility (as amended from time to time)
ECB Financing Documents	shall have the meaning assigned to the term “Finance Documents” in the ECB Facility Agreement
ECB Finance Parties	Collectively, the ECB Facility Agent, the ECB Arranger, the ECB Lender and the ECB Hedge Counterparty, and “ECB Finance Party” means any one of them
ECB Hedge Counterparty	Standard Chartered Bank and any other person who becomes a party to the Intercreditor Agreement as a hedge counterparty in accordance with the provisions of the ECB Facility Agreement and the Intercreditor Agreement;
ECB Redemption Reserve	The reserve amount created in accordance with the Memorandum of Operating Procedure for the repayment of the amounts owed to the ECB Finance Parties by the Borrower;
Encumbrance	Any Security Interest, equitable interest, conditional sales contract, right of other persons, claim, encumbrance, title defect, title retention agreement, voting trust

	agreement, interest, option, lien, charge, commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting rights, transfer, receipt of income or exercise of any other attribute of ownership, right of set-off, any arrangement (for the purpose of, or which has the effect of, granting security) or any agreement, whether conditional or otherwise, to create any of the same.
Enpro	Enpro Limited, a company incorporated in accordance with the provisions of the Act, having its registered office at Address-Block No.502, 5th Floor, Plot CTS No.220/23A, Patel Estate Road, Jogeswari (W), Mumbai-400102
End Use Certificate	A certificate signed by a director of the Issuer and countersigned by an independent practicing chartered accountant in the form set out in the Debenture Trust Deed
Environment	means living organisms including the ecological systems of which they form part and the following media: (a) air (including air within natural or man-made structures, whether above or below ground); (b) water (including territorial, coastal and inland waters, water under or within land and water in drains and sewers); and (c) land (including land under water)
Environmental Law	All Applicable laws of any relevant jurisdiction concerning or applicable with regard to: (i) the pollution or protection of, or compensation of damage or harm to, the Environment; (ii) occupational or public health and safety; or (iii) emissions, discharges or releases into, or the presence in, the Environment or of the use, treatment, storage, disposal, transportation or handling of Hazardous Substances (including without limitation taxation or any obligation to purchase credits or allowances or to provide financial security with regard to any such activities)
Environmental License	Any Governmental Approval required at any time under Environmental Law
EPC Contract	The engineering, procurement and construction contract dated October 27, 2007, entered into by the Issuer with the EPC Contractor for, inter alia, the engineering and construction of the Project
EPC Contractor	M/s Patel Engineering Limited, having its registered office at Patel Estate, S.V Road, Jogeshwari(W), Mumbai-400102 and Branch Office at Plot No.76, H.No. 8-2-293/82/A/76, Road No. 9A, Jubilee Hills, Hyderabad -500033
Escrow Bank or Escrow Agent	ICICI Bank Limited, Banjara Hills Branch, Hyderabad under the Escrow Agreement and includes its successors, transferees, assigns, novatees and assigns
Escrow Accounts	shall have the meaning assigned to such term in the Escrow Agreement
Escrow Agreement	shall have the meaning ascribed to such term in the Concession Agreement
Existing Rupee Facilities	The outstanding Indian Rupee credit facilities availed by the Issuer in relation to the Project and existing as on the date of the Debenture Trust Deed
Existing Rupee Lenders	The lenders (including their successors and permitted assigns) who have provided the Existing Rupee Facilities
Existing Rupee Lenders' Financing Documents	The lenders (including their successors and permitted assigns) who have provided the Existing Rupee Facilities
Existing Substitution Agreement	The substitution agreement dated September 14, 2010 entered into between the Issuer, NHAH and the Senior Lenders in accordance with the terms and conditions specified in the Concession Agreement
Event of Default	shall have the meaning ascribed to such term in the Debenture Trust Deed and as set out in Annexure 1 below
Final Redemption Date	the date when all the Debentures have been redeemed in full and the outstanding Debt has been irrevocably and unconditionally paid and discharged in full to the satisfaction of the Trustee
Finance Documents	(a) Debenture Trust Deed; (b) Debenture Trustee Agreement (c) Information Memorandum (d) Security Documents (e) New Substitution Agreement (f) Tripartite Agreement (g) O&M Support Undertaking

	<p>(h) O&M Back-up Support Undertaking (i) Escrow Agreement (j) Intercreditor Agreement (k) Promoter Support Undertaking; and (l) any other agreement or document, as may be determined by the Debenture Trustee or the Majority Debenture Holders.</p>
Financing Documents	shall have the meaning ascribed to such term in the Concession Agreement
Final Listing Approval	The final approval issued by the relevant Governmental Authority in accordance with Applicable Law approving the listing of each series of Debentures
Final Redemption Date	The date when all the Debentures have been redeemed in full and the outstanding Debt has been irrevocably and unconditionally paid and discharged in full to the satisfaction of the Trustee
Financial Indebtedness	<p>Any indebtedness for or in respect of</p> <p>(a) moneys borrowed (including any applicable interests, cost charges and expenses in relation thereto);</p> <p>(b) any amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or dematerialized equivalent;</p> <p>(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument including but not limited to foreign currency convertible bonds;</p> <p>(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with Indian GAAP, be treated as a finance or capital lease;</p> <p>(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);</p> <p>(f) any amount raised under any other transaction (including any forward sale or purchase agreement, put option agreement, shortfall undertaking or a capitalisation agreement) having the commercial effect of a borrowing;</p> <p>(g) any conditional sale or other title retention agreement with respect to property acquired (even though the rights and remedies of the seller or the bank under such title retention agreement in the event of default are limited to repossession or sale of such property);</p> <p>(h) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price including any credit support arrangement in respect thereof (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);</p> <p>(i) shares which are expressed to be redeemable or any shares or instruments convertible into shares or any shares or other securities which are otherwise the subject of a put option or any form of guarantee;</p> <p>(j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or a financial institution; and</p> <p>(k) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (k) above, and in the case of the Issuer, including any contingent liability.</p>
Financial Quarter	Each quarter ending on June 30, September 30, December 31 and March 31 in a Financial Year
Financial Year	The period of 12 (twelve) calendar months starting from April 1 in a calendar year and ending on March 31 of the immediately succeeding calendar year
First Interest Payment Date	September 30, 2013
Force Majeure	shall have meaning ascribed to it in Article XXIX of the Concession Agreement
Good Industry Practice	Those practices, methods, techniques, standards, skills, diligence and prudence which are generally and reasonably expected of and accepted internationally from a reasonably skilled and experienced operator engaged in the same type of undertaking and in accordance with Applicable Law, and would include good engineering practices in the design, engineering, construction and project

	management and which would be expected to result in the performance of its obligations by the Issuer and in the operation and maintenance of the Project in accordance with Concession Agreement, Applicable Laws, Clearances, reliability, safety, environment protection, economy and efficiency
Governmental Approval	Any authorization, approval, consent, licence, permit, notification, assessment, certificate, registration, allowance or credit required from any Governmental Authority.
Governmental Authority	means any: (i) government (central, federal, state or otherwise) or sovereign state; (ii) any governmental agency, semi-governmental or judicial or quasi-judicial or administrative entity, department or authority, or any political subdivision thereof; and (iii) international organization, agency or authority, including, without limitation, any stock exchange or any self-regulatory organization, established under any Applicable Law.
Hazardous Substance	Any waste, pollutant, contaminant or other substance (including any liquid, solid, gas, ion, living organism or noise) that may be harmful to human health or other life or the Environment or a nuisance to any person or that may make the use or ownership of any affected land or property more costly
Holding Company	of any other person, means a company in respect of which that other person is a Subsidiary
Hypothecated Property	means each of the following: (a) all the Issuer's tangible movable assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future, save and except the Project Assets; (b) all intangible assets of the Issuer including but not limited to the goodwill, rights, undertaking and uncalled capital both present and future excluding the Project Assets (provided that all amounts received on account of any of these shall be deposited in the Escrow Account that the charges on the same shall be subject to the extent permissible as per the priority specified in the Concession Agreement and the Escrow Agreement). Further, a charge on uncalled capital, as set in above, shall be subject however to the provisions of Clause 11.1 (xiii) of the Concession Agreement; (c) all accounts of the Issuer including the DSRA, Escrow Account and the sub-Accounts (except for PKHIL Debenture Redemption Reserve Account, PKHIL ECB Redemption Reserve Account and PKHIL ECB Finance Parties Holding Account)(or any account in substitution thereof) that may be opened in accordance with the Debenture Trust Deed, Escrow Agreement, or any of the other Project Documents and all funds from time to time deposited therein, the Receivables and all authorized investments or other securities provided that: (i) the same being applied to the extent of waterfall of priority of payment as specified in Clause 25.2.1 and Clause 25.3 of the Concession Agreement and Clause 3.3.1 and Clause 3.3.2 of the Escrow Agreement and not beyond that; (ii) the charge over the receivables shall be enforceable by the Senior Lenders or on their behalf only for the purpose of ensuring that the receivables are credited to the Escrow Account for the purpose of being applied to the extent of waterfall of priority of payment as specified in Clause 25.2.1 and Clause 25.3 of the Concession Agreement and Clause 3.3.1 and Clause 3.3.2 of the Escrow Agreement and not beyond that; (d) Assignment by way of security of the following: (i) the rights, title and interest of the Company in, to and under all the Government Approvals; (ii) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Project Documents; (iii) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee

	<p>including Contractors' guarantees and Liquidated Damages and performance bond provided by any party to the Project Document;</p> <p>(iv) all the rights, title, interest, benefits, claims and demands whatsoever of the Company under all Insurance Contracts;</p> <p>provided that, the charge on assignment mentioned in paragraph (iv) above shall be enforceable in (A) the manner specified in the New Substitution Agreement so as to enable the Nominated Company (as defined under the Concession Agreement) to substitute the Company in respect thereof as per the Substitution Agreement; and (B) only for the purpose of ensuring that the amounts received thereupon are credited to the Escrow Account for the purpose of being applied in the order of priority specified in Clause 25.2.1 and Clause 25.3 of the Concession Agreement and Clause 3.3.1 and Clause 3.3.2 of the Escrow Agreement and not beyond that.</p>
I.T. Act	The Income-tax Act, 1961 as amended from time to time
IDF	An infrastructure debt fund, registered with appropriate Governmental Authority in accordance with Applicable Law
IDF-NBFC	A non-deposit taking non-banking financial company that has net owned fund of Rs. 300,00,00,000 (Three Hundred Crore) or more and which invests only in infrastructure projects created through public private partnerships and have successfully completed at least 1 (one) year of satisfactory commercial operation in accordance with the RBI-IDF Directions;
IDF Associate	Any IDF, which is also an Associate of the Sole Subscriber and/or of the holding company of the Sole Subscriber or any other IDF-NBFC, of which the Sole Subscriber is an IDF Sponsor
IDF Sponsor	An NBFC-IFC that has contributed a maximum of 49% to the equity of an IDF-NBFC with a minimum equity holding of 30% of the equity of such IDF-NBFC in accordance with RBI IDF Directions
In-principle Approval	The in-principle approval issued by the Stock Exchange to the Issuer in relation to the Issue and listing of the Debentures, annexed hereto;
Independent Consultant	The firm of engineers appointed by the NHAI under the provisions of Article XX of the Concession Agreement
Intercreditor Agreement	The agreement to be executed among the Senior Lenders regarding sharing of Security Interest and all other interse matters
Initial Present Interest Rate	Each of Series A Initial Present Interest; Series B Initial Present Interest Series C Initial Present Interest; Series D Initial Present Interest; Series E Initial Present Interest; and Series F Initial Present Interest; or any one of them
Interest Payment Dates	The dates on which the Issuer is required to pay Interest on the outstanding principal amount of the Debentures to the Debenture Holders
Intangible Assets	All intangible assets of the Issuer including but not limited to goodwill, rights, undertaking and uncalled capital present and future, excluding the Project Assets
Insurance Contract(s)	The insurance contracts and policies required to be obtained or maintained by the Issuer in relation to the Project pursuant to any Finance Document, any substitutes therefor and any additional insurance contracts or policies required by the Trustee's Insurance Advisor to be obtained for the Project or any other insurance obtained by the Issuer in relation to the Project
Insurance Proceeds	The proceeds arising out of any or all of the Insurance Contract
Increased Costs	<p>mean the costs determined and notified by the Majority Debenture Holders to the Debenture Trustee, that would be or have been incurred or suffered by the Debenture Holders as a result of:</p> <p>(a) an additional or increased cost imposed by or incurred due to the introduction of or any change in (or in the interpretation, administration or application of) any Applicable Law or compliance with any Applicable Law made after the Deemed Date of Allotment, in relation to the Debentures; or</p> <p>(b) a reduction of any amount due and payable to the Debenture Holders under any Transaction Document due to the introduction of or any change in (or in the interpretation, administration or application of) any Applicable Law or compliance with Applicable Law made after the Deemed Date of Allotment, but shall not include any Tax payable on the income (including any redemption premium) earned by the Debenture Holders or any change in the</p>

	funding costs incurred by the Debenture Holders in relation to the issue of the Debentures
Information Memorandum	This Information Memorandum dated September 2, 2013 issued by the Issuer, pursuant to which the Debentures are being offered for private placement basis
Indian GAAP	Generally accepted accounting principles in India, as in effect from time to time
Initial Contribution	a sum of Rs. 1,000 (Rupees One Thousand) being the initial corpus, which is settled in Trust with the Debenture Trustee
Interest	Series A Debenture Interest, Series B Debenture Interest, Series C Debenture Interest, Series D Debenture Interest, Series E Debenture Interest and Series F Debenture Interest, or any of them, as the case may be
Investor	Any person who subscribes to this Issue
ISIN	International Securities Identification Number
Issue	Issue of secured, rated, listed, redeemable, and non-convertible debentures at a face value of Rs. 1,00,000 each, with marketable lot of one debenture for cash aggregating up to Rs. 400,00,00,000 (Rupees four hundred Crores only) on a private placement basis.
Issue Opening Date	September 3, 2013
KNRCL	KNR Constructions Limited, a company incorporated in accordance with the provisions of the Act, having its registered office at C-125, Anand Nikethan, New Delhi 110021
L&T Infrastructure	Means L&T Infrastructure Finance Company Limited
Lead Arranger	Standard Chartered Bank, Bandra Kurla Complex, Mumbai.
Lenders Representative	IDBI Trusteeship Services Limited, or any other representatives agreed to by NHA1 in the future and acceptable to the Majority Debenture Holders
Listing Agreement	The listing agreement entered into between the Issuer and the Stock Exchange in relation to the listing of the Debentures on the Stock Exchange
Liquidated Damages	Liquidated damages specified in the various Project Documents
Major Maintenance Reserve	the reserves created from Project's cash flows and Annuity payments received on Annuity Payment Dates (as applicable) by the Issuer for the purpose of utilisation in accordance with Schedule 7 of the Debenture Trust Deed towards major maintenance of the Project in accordance with the terms of the Concession Agreement
Major Maintenance Reserve Account	shall have the meaning assigned to it in the Memorandum of Operating Procedures
Majority Debenture Holders	Such number of Debenture Holder (s) holding more than 51% of the nominal value of the Debentures then outstanding
Majority Resolution	has the meaning ascribed to such term in paragraph 40 of Schedule 2 of the Debenture Trust Deed
Mandatory Redemption Event	Any redemption made by the Issuer in accordance with the Debenture Trust Deed and as set out in Annexure 1 of this Information Memorandum
Mandatory Redemption	A date on which the Debentures are required to be mandatorily redeemed by the Issuer, in accordance with the Debenture Trust Deed, upon the occurrence of a Mandatory Redemption Event
Material Adverse Change	The occurrence of any event, circumstance or cause of whatsoever nature which has, or could reasonably be expected to have, a Material Adverse Effect
Material Adverse Effect	An event or circumstance which has or could reasonably be expected to have a material adverse effect on or material adverse change in: <ol style="list-style-type: none"> i. the business, operations, property, condition (financial or otherwise) or prospects of any Obligor; ii. the ability of any Obligor to perform its obligations under any Finance Document in a timely manner; iii. the validity, legality or enforceability of any Finance Document or the rights or remedies of any Finance Party under any Finance Document; iv. the validity, legality or enforceability of any Security expressed to be created pursuant to any Security Document or the priority and ranking of any such Security; v. the validity, legality or enforceability of any Project Document or the rights or remedies of any party under any Project Document;

	<p>vi. the Issuer's ability to construct, own and operate the Project substantially in the manner contemplated by the Transaction Documents; or</p> <p>vii. the ability of the Issuer or Material Project Participants to perform or comply with each or any of its obligations under the Transaction Documents to which it is a party.</p>
Material Project Participants	EPC Contractor, O&M Contractor, Sponsors, NHAI and the contracting parties to the Transaction Documents other than the Senior Lenders and such other Person as may be designated by agreement between the Senior Lenders and the Issuer
Meeting of the Debenture Holders	A meeting of the Debenture Holders or a meeting of any Series of Debenture Holders, as the case may be, duly called, convened and held in accordance with the provisions set out in Schedule 2 (Provisions for the Meeting of the Debenture Holders) of the Debenture Trust Deed. For the avoidance of doubt it is clarified that any reference to decisions taken pursuant to a Meeting of the Debenture Holders or a meeting of any Series of Debenture Holders, as the case may be, shall mean a decision taken either (a) at a physical Meeting of the Debenture Holders; or (b) by way of a written consent from the Debenture Holders, in a manner determined by the Debenture Trustee
Memorandum of Operating Procedures	The agreement to be entered into, inter alios, between the Issuer, the Trustee and the Escrow Agent for the operation of the Escrow Account
Million	Rs 10,00,000 (Rupees Ten Lakh Only)
Mortgaged Property	The immovable property of the Issuer situated at land in Block No. 20, HIG plot No. 1A, Neighbourhood - III, Maraimalainagar, Post, Kancheepuram Dist, comprised in S.No.360/Part of 55-Ninnakarai Village, Chengalpattu Taluk, Kancheepuram District admeasuring 466 square feet
Month	<p>A period starting on the first day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:</p> <p>(a) subject to paragraph (b) below, if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month (if there is one) in which that period is to end or (if there is not) the immediately preceding Business Day;</p> <p>(b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and</p> <p>The above rules will only apply to the last Month of any period.</p>
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NHAI or Project Authority	The National Highways Authority of India as constituted under the National Highways Authority of India Act, 1988.
NHAI Approval	The approval letter dated May 13, 2013 issued by the NHAI to the Issuer in relation to the Project annexed hereto in Annexure 5
New Substitution Agreement	The substitution agreement to be entered into between the Issuer, the Lenders Representative and the NHAI, and in a form set out in the Concession Agreement
Non-availability	shall have the meaning ascribed to such term in the Article VI (Assured Availability) of the Concession Agreement
Nominee Director	shall have the meaning ascribed to such term in Clause 6.5 of the Debenture Trust Deed
NSDL	National Securities Depository Limited
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management Act, 1999 and regulations thereunder
O&M Back-up Support Undertaking	A back-up support undertaking issued by PEL in favour of the Trustee in relation to supporting the obligations of KNRCL in the O&M Support Undertaking, in a form and manner acceptable to the Debenture Trustee
O&M Contractor	KNRCL appointed as a contractor under the O&M Contract
O&M Contract	The operation and maintenance contract dated April 8, 2013 entered into between the Issuer and the O&M Contractor for performance of the operation and maintenance obligations for the Project

O&M Contractor Breach Event	A default arising due to the non-performance of its obligations by the O&M Contractor under the O&M Contract
O&M Expenses	shall have the meaning assigned to such term in the Escrow Agreement
O&M Support Undertaking	The operation and management support undertaking issued by KNRCL in favour of the Debenture Trustee, in a form acceptable to the Debenture Trustee (acting on behalf of the Debenture Holders)
Obligor	means each of the following, and the term “Obligors” shall be construed accordingly: (a) the Issuer (b) the Pledgors (c) the Promoters; and (d) any other Person who provides any Security, guarantee or undertaking in terms of the Transaction Documents;
Operation and Maintenance or O & M	Shall have the meaning ascribed to such term in the Concession Agreement
PKHIL ECB Finance Parties Holding Account	Shall have the meaning ascribed to such term in the Memorandum of Operating Procedure
PKHIL ECB Redemption Reserve Account	Shall have the meaning ascribed to such term in the Memorandum of Operating Procedure
PKHIL Debenture Redemption Reserve Account	Shall have the meaning ascribed to such term in the Memorandum of Operating Procedure
PKHIL Surplus Cash Account	Shall have the meaning ascribed to such term in the Memorandum of Operating Procedure
PEL	Patel Engineering Limited, a company incorporated in accordance with the provisions of the Act, having its registered office at Patel Estate Road, Jogeshwari (West), Mumbai 400 102
PEIL	Patel Engineering Infrastructure Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Patel Estate Road, Jogeshwari (West), Mumbai 400 012
Performance Security	shall have the meaning assigned to such term in the Concession Agreement
Permitted Indebtedness	Means (a) the Debt; (b) ECB Facility, along with Financial Indebtedness owed to ECB Hedge Counterparty; and (c) Existing Rupee Facilities, which shall be repaid in full within 5 days of the Deemed Date of Allotment; (d) Promoter loans and unsecured loans aggregating to an amount not exceeding Rs. 135,00,00,000 (Rupees One Hundred and Thirty Five Crores); (e) subordinated Shareholder loans (f) any indebtedness availed from an IDF Associate in relation to the transactions contemplated under the Debenture Trust Deed (g) any indebtedness as may be permitted by the Finance Documents (h) any other loans and/ or indebtedness as may be approved by the Debenture Trustee (acting on Approved Instructions)
Permitted Security Interest	means the following: (a) any Security Interest created or to be created in favour of Debenture Trustee for securing the Debt pursuant to any Transaction Document; and (b) any Security Interest existing in favour of or for the benefit of the ECB Lender and ECB Hedge Counterparty until such time as the ECB Facilities and ECB Hedge Counterparty Liabilities are repaid; (c) any Security Interest existing in favour of or for the benefit of the Existing

	Rupee Lenders until such time as the Existing Rupee Facilities are repaid.
Person	An individual, a partnership firm, an association, a corporation, a limited company, a trust, a body corporate, bank or financial institution or any other body, whether incorporated or not
Pledgors	means, collectively, each of KNRCL, PEIL and Enpro, and “Pledgor” means each one of them
PPP Project	Public Private Partnership (PPP) describes a government service or private business venture which is funded and operated through a partnership of government and one or more private sector companies. PPP involves a contract between a public sector authority and a private party, in which the private party provides a public service or project and assumes substantial financial, technical and operational risk in the project.
Project	The design, construction, development, finance of the improvement and widening to four lanes of two lane road between Islam Nagar and Kadthal from Km 230 to Km 278 on National Highway 7 in the State of Andhra Pradesh and operation and maintenance thereof on Build, Operate and Transfer (“BOT”) Annuity basis in accordance with the provisions of Concession Agreement and shall include all works relating to or in respect of the scope of the Project as described in Article II of the Concession Agreement
Project Assets	shall have the meaning ascribed to it under the Concession Agreement
Project Site	shall have the same meaning ascribed to the term “Site” in the Concession Agreement
Project Documents	shall mean any or all of the following, as may be amended or supplemented from time to time: (a) Concession Agreement, (b) O&M Contract (c) EPC Contract (d) Insurance policies including ‘held cover’ note providing for the insurance required by the Project documents (e) Documents reflecting the Issuer’s rights in respect of the Project Site, the Issuer’s title to its fixed assets, easement and all other documents analogous to the above in line with the Concession Agreement (f) all the contracts, agreements and writings entered into or obtained/to be entered or obtained by the Issuer in connection with: (i) supply of plant, machinery, equipment, other material, engineering and specialized services for construction of the Project and related facilities; and (ii) supply of equipments, material and technical and specialized services for operating and maintaining the Project, the effective exercise of the rights granted to the Issuer and discharge by the Issuer of its obligations under the Concession Agreement) all performance bonds and other security documents and arrangements furnished by any of the parties under the documents above referred to in favour of or for the benefit of the Issuer; (g) any other document entered between NHAI and the Issuer or any other document designated as a project document by the Debenture Trustee in consultation with the Issuer (h) any contracts relating to the Project and disclosed as ‘material contracts’ in accordance with the Debt Listing Regulations
Project Participant	mean each of the parties to any Project Document, or collectively all of them as the case may be, other than the Issuer, the Promoters or any Secured Party
Promoters	shall collectively mean PEL, KNRCL, and Enpro, and “Promoter” shall mean each one of them
Promoter Support Undertaking	The promoter support undertaking issued by each of the Promoters in favour of the Debenture Trustee, in a form acceptable to the Debenture Trustee (acting on behalf of the Debenture Holders
Potential Event of Default	shall mean an event which, with the giving of notice, lapse of time, determination of materiality, or fulfilment of any other applicable condition or any combination

	of the foregoing or otherwise, would constitute an Event of Default
Proceedings	shall mean any suit, action or proceedings relating to the Debenture Trust Deed and shall have the meaning ascribed to such term in the Debenture Trust Deed
RBI	means the Reserve Bank of India constituted under the Reserve Bank of India Act, 1934
RBI IDF Directions	The Infrastructure Debt Fund-Non-Banking Financial Companies (Reserve Bank) Directions, 2011 (Notification No. DNBS. 233/CGM (US) – 2011, dated November 21, 2011), as amended or supplemented from time to time
Rating Change Event	Any downgrade in the credit rating of any of the Debentures resulting in the credit rating falling below AAA(SO) (Triple A (Structured Obligation)) due to a failure on part of the Obligor or the O&M Contractor to meet their respective obligations under the Transaction Documents to which they are a party or for any reason whatsoever
Redemption Amount(s)	The amount(s) specified in the Terms and Conditions to be paid by the Issuer to the Debenture Holders on the applicable Redemption Date(s)
Record Date	The record date for payment of interest or repayment of principal shall be 15 calendar days prior to the date on which Interest is due and payable on the Debentures, or the date (s) of redemption of such Debentures
Redemption Date	(a) a Scheduled Redemption Date, or (b) an Early Redemption Date, or (c) Final Redemption Date, as the case may be.
Registrar/Registrar to the Issue	Bigshare Services Private Limited
Register of Beneficial Owners	The register of beneficial owners of the Debentures maintained in the records of any depository duly registered with SEBI
Related Rights	means, in relation to any asset (to the extent relevant): (a) the proceeds of receivables, sale, assignment, disposal or transfer of any part of that asset; (b) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities and/or covenants for title in respect of that asset; and/or (c) any monies and proceeds paid or payable in respect of that asset.
Restricted Payments	means: (a) the authorisation, declaration or payment of any dividends (either in cash or property) or distributions or return of equity; (b) redemption, retirement, purchase or other acquisition, directly or indirectly of any shares of any class of its equity shares now or hereafter outstanding (or any options or warrants issued by the Issuer with respect to its equity shares); (c) prepayment or redemption for value, any Financial Indebtedness (including Promoters and shareholders' loans) of the Company prior to the scheduled maturity of such indebtedness, except to the extent that this is permitted under the Transaction Documents; (d) any investment (other than with the prior written consent of the Debenture Trustee) in any entity
Revised Present Interest	Each of Series A Revised Present Interest; Series B Revised Present Interest; Series C Revised Present Interest; Series D Revised Present Interest; Series E Revised Present Interest; and Series F Revised Present Interest, or any one of them
Rs. or Rupees	The lawful currency of the Republic of India
ROC	Registrar of Companies (as defined under the Act)
RTGS	Real Time Gross Settlement
Scheduled Bank	Shall mean a bank which has been included in the Second Schedule of Reserve Bank of India Act, 1934
Scheduled Redemption Date	Series A Scheduled Redemption Dates, Series B Scheduled Redemption Dates, Series C Scheduled Redemption Dates, Series D Scheduled Redemption Dates, Series E Scheduled Redemption Dates and Series F Scheduled Redemption Dates, or any of them, as the case may be
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time)

SEBI Regulations	The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012, as amended from time to time
Secured Assets	The assets charged or purported to be charged or otherwise made the subject of Security pursuant to the Security Documents
Security Documents	All documents entered into or executed by the Issuer for creating and perfecting the Security including: (a) Deed of Hypothecation (b) Debenture Trust Deed (c) Share Pledge Agreement (d) any other security document entered into from time to time for creation of, or evidencing the creation of, any Security Interest for the benefit of the Security Parties
Secured Parties	shall collectively mean the Debenture Trustee and the Debenture Holders and any of their agents, delegates, receivers and custodians, and “Security Party” shall mean any one of them
Security	All the Security Interest and rights created or to be created in terms the Debenture Trust Deed of any other Security Document
Security Interest	Any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, assignment by way of security, deed of trust, security interest or other Encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law
Senior Lenders	The financial institutions, banks, funds and agents or trustees of debenture holders, Non- Banking Financial Companies or other major lending agencies approved by RBI including their successors and assignees, who have agreed to guarantee or provide finance to the Issuer, under any of the Financing Documents for meeting costs of all or any part of the Project and who hold pari passu charge on the concession granted by the Concession Agreement
Series A Debenture Interest	The Series A Initial Present Interest or the Series A Revised Present Interest, as the case may be
Series A Deemed Date of Allotment	September 3, 2013
Series A Initial Present Interest	The interest payable on the Series A Debentures at the rate of 10.04 % per annum
Series A Maturity Date	September 30, 2025, or the date on which the entire Series A Debentures are redeemed in full, whichever is earlier
Series A Revised Present Interest	The Series A Initial Present Interest increased by 30 basis points on occurrence each Rating Change Event
Series A Scheduled Redemption Dates	Each of the dates on which Series A Debentures are scheduled to be redeemed by the Issuer
Series A Subscription Amount	The aggregate amount of upto Rs. 1,80,00,00,000 (Rupees One Hundred and Eighty Crores) paid or to be paid by the Debenture Holders towards subscription of Series A Debentures
Series B Debenture Interest	The Series B Initial Present Interest or the Series B Revised Present Interest, as the case may be
Series B Deemed Date of Allotment	September 3, 2013
Series B Initial Present Interest	The interest payable on the Series B Debentures at the rate of 9.50% per annum
Series B Maturity Date	March 31, 2016, or the date on which the entire Series B Debentures are redeemed in full, whichever is earlier
Series B Revised Present Interest	The Series B Initial Present Interest increased by 30 basis points on occurrence each Rating Change Event
Series B Scheduled Redemption Dates	Each of the dates on which Series B Debentures are scheduled to be redeemed by the Issuer
Series B Subscription Amount	The aggregate amount of upto Rs. 23,20,00,000 (Rupees Twenty Three Crores and Twenty Lakhs) paid or to be paid by the Debenture Holders towards subscription of Series B Debentures

Series C Debenture Interest	The Series C Initial Present Interest or the Series C Revised Present Interest, as the case may be
Series C Deemed Date of Allotment	September 3, 2013
Series C Initial Present Interest	The interest payable on the Series C Debentures at the rate of 9.75% per annum
Series C Maturity Date	March 31, 2018, or the date on which the entire Series C Debentures are redeemed in full, whichever is earlier
Series C Revised Present Interest	The Series C Initial Present Interest increased by 30 basis points on occurrence each Rating Change Event
Series C Scheduled Redemption Date	Each of the dates on which Series C Debentures are scheduled to be redeemed by the Issuer
Series C Subscription Amount	The aggregate amount of upto Rs. 9,20,00,000 (Rupees Nine Crores and Twenty Lakhs) paid or to be paid by the Debenture Holders towards the subscription of Series C Debentures
Series D Debenture Interest	The Series D Initial Present Interest or the Series D Revised Present Interest, as the case may be
Series D Deemed Date of Allotment	September 3, 2013
Series D Initial Present Interest	The interest payable on the Series D Debentures at the rate of 9.75% per annum
Series D Maturity Date	March 31, 2020, or the date on which the entire Series D Debentures are redeemed in full, whichever is earlier
Series D Revised Present Interest	The Series D Initial Present Interest increased by 30 basis points on occurrence each Rating Change Event
Series D Scheduled Redemption Date	Each of the dates on which Series D Debentures are scheduled to be redeemed by the Issuer
Series D Subscription Amount	The aggregate amount of upto Rs. 16,30,00,000 (Rupees Sixteen Crores and Thirty Lakhs) paid or to be paid by the Debenture Holders towards the subscription of Series D Debentures
Series E Debenture Interest	The Series E Initial Present Interest or the Series E Revised Present Interest, as the case may be
Series E Deemed Date of Allotment	September 3, 2013
Series E Initial Present Interest	The interest payable on the Series E Debentures at the rate of 10.00% per annum
Series E Maturity Date	March 31, 2023, or the date on which the entire Series E Debentures are redeemed in full, whichever is earlier
Series E Revised Present Interest	The Series E Initial Present Interest increased by 30 basis points on occurrence each Rating Change Event
Series E Scheduled Redemption Date	Each of the dates on which Series E Debentures are scheduled to be redeemed by the Issuer
Series E Subscription Amount	The aggregate amount of upto Rs. 31,90,00,000 (Rupees Thirty One Crores and Ninety Lakhs) paid or to be paid by the Debenture Holders towards the subscription of Series E Debentures
Series F Debenture Interest	The Series F Initial Present Interest or the Series F Revised Present Interest, as the case may be
Series F Deemed Date of Allotment	September 3, 2013
Series F Initial Present Interest	The interest payable on the Series F Debentures at the rate of 10.35% per annum
Series F Maturity Date	March 31, 2027, or the date on which the entire Series F Debentures are redeemed, whichever is earlier
Series F Revised Present Interest	The Series F Initial Present Interest increased by 30 basis points on occurrence each Rating Change Event
Series F Scheduled Redemption Date	Each of the dates on which Series F Debentures are scheduled to be redeemed by the Issuer
Series F Subscription Amount	The aggregate amount of upto Rs. 1,39,40,00,000 (Rupees One Hundred Thirty Nine Crores and Forty Lakhs) paid or to be paid by the Debenture Holders towards the subscription of Series F Debentures
Share Pledge	A pledge over 100% (Hundred percent) of the issued and fully-paid up equity share capital of the Issuer in favour of the Debenture Trustee for the benefit of the Secured Parties pursuant to the Share Pledge Agreement

Share Pledge Agreement	The share pledge agreement dated on or about the date hereof between the Pledgors and the Debenture Trustee in relation to the Share Pledge
Stock Exchange	The National Stock Exchange of India Limited or the BSE Limited
Sole Subscriber	shall mean the Investor(s) who subscribes to the whole of the Issue i.e. in this case L&T Infrastructure Finance Company Limited
Subscription Amount	The Series A Subscription Amount, Series B Subscription Amount, Series C Subscription Amount, Series D Subscription Amount, Series E Subscription Amount and Series F Subscription Amount, or any of them, as the case may be
Subsequent Interest Payment Date	March 31 or September 30 of a calendar year, till the Final Redemption Date
Surplus Project Cash	All surplus cash accumulated with the Issuer, after meeting its budgeted operating expenses, Major Maintenance Reserve provisioning as required in a Financial Year, provisioning to meet its obligations for Debenture Redemption Reserve, ECB Redemption Reserve, DSRA, debt service obligations (except for any working capital debt servicing obligations of the Issuer) pertaining to the Project, and after setting aside/allocating Rs. 15,00,00,000 (Rupees Fifteen Crores) for unforeseen Project expenses
Subsidiary	Shall have the same meaning as ascribed to such term under the Companies Act, 1956
Tax	Any present or future tax, levy, duty or other charge of a similar nature (including any penalty or interest payable on account of any failure to pay or delay in paying the same), now or hereafter imposed by law by any Governmental Authority
Tripartite Agreement	The tripartite agreement entered into as per clause 2.10 (Investment by an Infrastructure Debt Fund) of the Debenture Trust Deed by and between the Issuer, NHA and the IDF Associate and the terms of which shall be agreed, accepted, countersigned and witnessed by the Lenders Representative.
Trustee's Insurance Advisor	The insurance advisor and/or any replacement thereof appointed/to be appointed by the Debenture Trustee on behalf of the Debenture Holders
Transaction Documents	(a) the Finance Documents (b) the Project Documents; and (c) any other document that may be designated as a Transaction Document by the Debenture Trustee
Trust Property	The Initial Contribution, and all other Security created by any Obligor under or pursuant to any Security Document, all of the Debenture Trustee's rights under and pursuant to any Finance Document and all sums received by the Debenture Trustee under or pursuant any Finance Document (save for any sums received solely for its own account), all monies received by it out of, whether prior to or as a result of enforcement of the Security created hereunder or under any Security Document or the exercise of rights and remedies under any Finance Document
WDM	Wholesale debt market segment of BSE

Any capitalised terms used in the Information Memorandum and not defined in this section shall have the respective meanings assigned to them under the remaining section hereunder.

- 1 Words denoting singular only shall include plural and vice-versa.
- 2 Words denoting one gender only shall include the other gender.
- 3 All references in these presents to any provision of any statute shall be deemed also to refer to the statute, modification or re-enactment thereof or any statutory rule, order or regulation made thereunder or under such re-enactment.
- 4 The headings in these section are inserted for convenience only and shall be ignored in construing and interpreting the section.

DISCLAIMERS

ISSUER'S DISCLAIMER

This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus under the Act. The Issue of Debentures to be listed on the WDM segment of the BSE is being made strictly on a private placement basis. It does not constitute and shall not be deemed to constitute an offer or an invitation to subscribe to the Debentures to the public in general.

This Information Memorandum has been prepared in conformity with the SEBI Regulations.

This Information Memorandum has been prepared solely to provide general information about the Issuer to eligible Investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Information Memorandum does not purport to contain all the information that any eligible Investor may require. Further, this Information Memorandum has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Apart from this Information Memorandum, no offer document or prospectus has been prepared in connection with this Issue or in relation to the Issuer nor is such offer document or prospectus required to be registered under Applicable Laws or regulations.

The Issuer confirms that, as of the date hereof, this Information Memorandum (including the documents incorporated by reference herein, if any) contains all information that is material in the context of the Issue and issue of the Debentures, is accurate in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made and are not misleading. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer.

This Information Memorandum and the contents hereof are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Information Memorandum are intended to be used only by those Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any persons other than those to whom application forms along with this Information Memorandum being issued have been sent. Any application by a person to whom the Information Memorandum has not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this Information Memorandum shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents without the consent of the Issuer until the Information Memorandum is available on the Stock Exchange. The recipient agrees to keep confidential all of such information provided (or made available hereafter), including, without limitation, the existence and terms of such transaction, any specific pricing information related to the transaction or the amount or terms of any fees payable to us or other parties in connection with such transaction. This Information Memorandum may not be photocopied, reproduced, or distributed to others before the closure of the Issue without the prior written consent of the Issuer.

The Issuer does not undertake to update the Information Memorandum to reflect subsequent events after the date of the Information Memorandum and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Information Memorandum nor any sale of Debentures made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Information Memorandum does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Information Memorandum in any jurisdiction where such action is required. Persons into whose possession this Information Memorandum comes are required to inform themselves about and to observe any such

restrictions. The Information Memorandum is made available to Investors in the Issue on the strict understanding that it is private and confidential.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGE

As required, a copy of this Information Memorandum has been filed with the BSE in terms of the SEBI Regulations.

It is to be distinctly understood that submission of this Information Memorandum to the BSE should not in any way be deemed or construed to mean that this Information Memorandum has been reviewed, cleared or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum, nor does the BSE warrant that the Issuer's Debentures will be listed or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its Promoters, its management or any scheme or Project of the Issuer.

As per the provisions of the SEBI Regulations, a copy of this Information Memorandum has not been filed with or submitted to the SEBI, however SEBI reserves the right to take up at any point of time, with the Issuer, any irregularities or lapses in this document. It is to be distinctly understood that this Information Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Information Memorandum.

DISCLAIMER CLAUSE OF THE LEAD ARRANGER

Patel KNR Heavy Infrastructures Limited (the "**Company/Issuer**") has authorized Standard Chartered Bank (SCB or the "**Lead Arranger**") to distribute this Information Memorandum in connection with the proposed transaction outlined in it (the "**Transaction**") and the debentures proposed to be issued in the Transaction (the "**Debentures**").

"**Standard Chartered Bank**" means SCB and any group, subsidiary, associate or affiliate of SCB and their respective directors, representatives or employees and/or any persons connected with them.

Nothing in this Information Memorandum constitutes an offer of securities for sale in the United States or any other jurisdiction where such offer or placement would be in violation of any law, rule or regulation.

The Issuer has prepared this Information Memorandum and the Issuer is solely responsible for its contents. The Issuer will comply with all laws, rules and regulations and has obtained all regulatory, governmental and corporate approvals for the issuance of the Debentures. All the information contained in this Information Memorandum has been provided by the Issuer or is from publicly available information, and such information has not been independently verified by the Lead Arranger. No representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted, by the Lead Arranger or any of its affiliates for the accuracy, completeness, reliability, correctness or fairness of this Information Memorandum or any of the information or opinions contained therein, and the Lead Arranger hereby expressly disclaim, to the fullest extent permitted by law, any responsibility for the contents of this Information memorandum and any liability, whether arising in tort or contract or otherwise, relating to or resulting from this Information Memorandum or any information or errors contained therein or any omissions there from. By accepting this Information Memorandum, You agree that the Lead Arranger will not have any such liability.

You should carefully read and retain this Information Memorandum. However, You are not to construe the contents of this Information Memorandum as investment, legal, accounting, regulatory or tax advice, and You should consult with Your own advisors as to all legal, accounting, regulatory, tax, financial and related matters concerning an investment in the Debentures.

CAUTIONARY NOTE

This Information Memorandum is not intended to provide the sole basis of any credit decision or other evaluation and should not be considered as a recommendation that any recipients of this Information Memorandum should invest in the Debentures proposed to be issued by the Issuer. Each eligible Investor should make its own independent assessment of the investment merit of the Debentures and the Issuer. Eligible Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such investor's particular circumstance. This Information Memorandum is made available to eligible investors on the strict understanding that it is confidential. Recipients shall not be entitled to use any of the information otherwise than for the purpose of deciding whether or not to invest in the Debentures.

No person including any employee of the Issuer has been authorized to give any information or to make any representation not contained in this Information Memorandum. Any information or representation not contained herein must not be relied upon as having being authorized by or on behalf of the Issuer. Neither the delivery of this Information Memorandum at any time nor any statement made in connection with the offering of the Debentures shall under the circumstances imply that any information/representation contained herein is correct at any time subsequent to the date of this Information Memorandum. The distribution of this Information Memorandum or the Application Forms and the offer, sale, pledge or disposal of the Debentures may be restricted by law in certain jurisdictions. This Information Memorandum does not constitute an offer to sell or an invitation to subscribe to the Debentures in any jurisdiction to any person to whom it is unlawful to make such offer or invitation in such jurisdiction. Persons into whose possession this Information Memorandum comes are required by the Issuer to inform themselves about and observe any such restrictions. The sale or transfer of these Debentures outside India may require regulatory approvals in India, including without limitation, the approval of the RBI.

ISSUER PROFILE

Name: Patel KNR Heavy Infrastructures Limited

Registered and Corporate Office KNR House, 4th Floor, Plot no. 114, Phase – I, Kavuri Hills, Hyderabad - 500033

Corporate Identification number: U70102AP2006PLC049949

Phone No.: 040-40268761

Fax No.: 040-40268760

Compliance Officer: B. Maheepal Reddy
Address KNR House, 4th Floor, Plot no. 114, Phase – I, Kavuri Hills, Hyderabad - 500033
Tel: 040-40268761
Fax: 040-40268760
Email: maheepalreddy.b@gmail.com/info@knrcl.com

Chief Financial Officer: B. Maheepal Reddy
Address KNR House, 4th Floor, Plot no. 114, Phase – I, Kavuri Hills, Hyderabad - 500033
Tel: 040-40268761
Fax: 040-40268760
Email: maheepalreddy.b@gmail.com/info@knrcl.com

Auditors: Gianender & Associates
Address Plot No. 6, Site no. 21, Geeta Mandir Marg, New Rajinder Nagar, New Delhi – 110060
Tel: 011-28743982
Fax: 011-42412008
Email: gka_ma@yahoo.com

Debenture Trustee: IDBI Trusteeship Services Limited
Address Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001
Tel: 022 4080 7005
Fax: 022 – 66311776
Email: sarita.iyer@idbitrustee.com

Lead Arranger Standard Chartered Bank
Address Crescenzo, 5th Floor, C-38/39 G Block, Bandra Kurla Complex, Mumbai 400 051
Tel: +91 22 6115 8934
Fax: +91 22 6115 7700
Email: hitesh.girish@sc.com

Registrar to the Issue: Bigshare Services Private Limited
Address E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka. Andheri(E), Mumbai - 400 072
Tel: 91-22-40430200
Fax: 91-22-2847 5207
Email: ashoka@bigshareonline.com

Credit Rating Agency Credit Analysis & Research Limited
Address 4th floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 400022
Tel: 022-6754 3556
Fax: 022-6754 3457
Email: rohit.nair@careratings.com

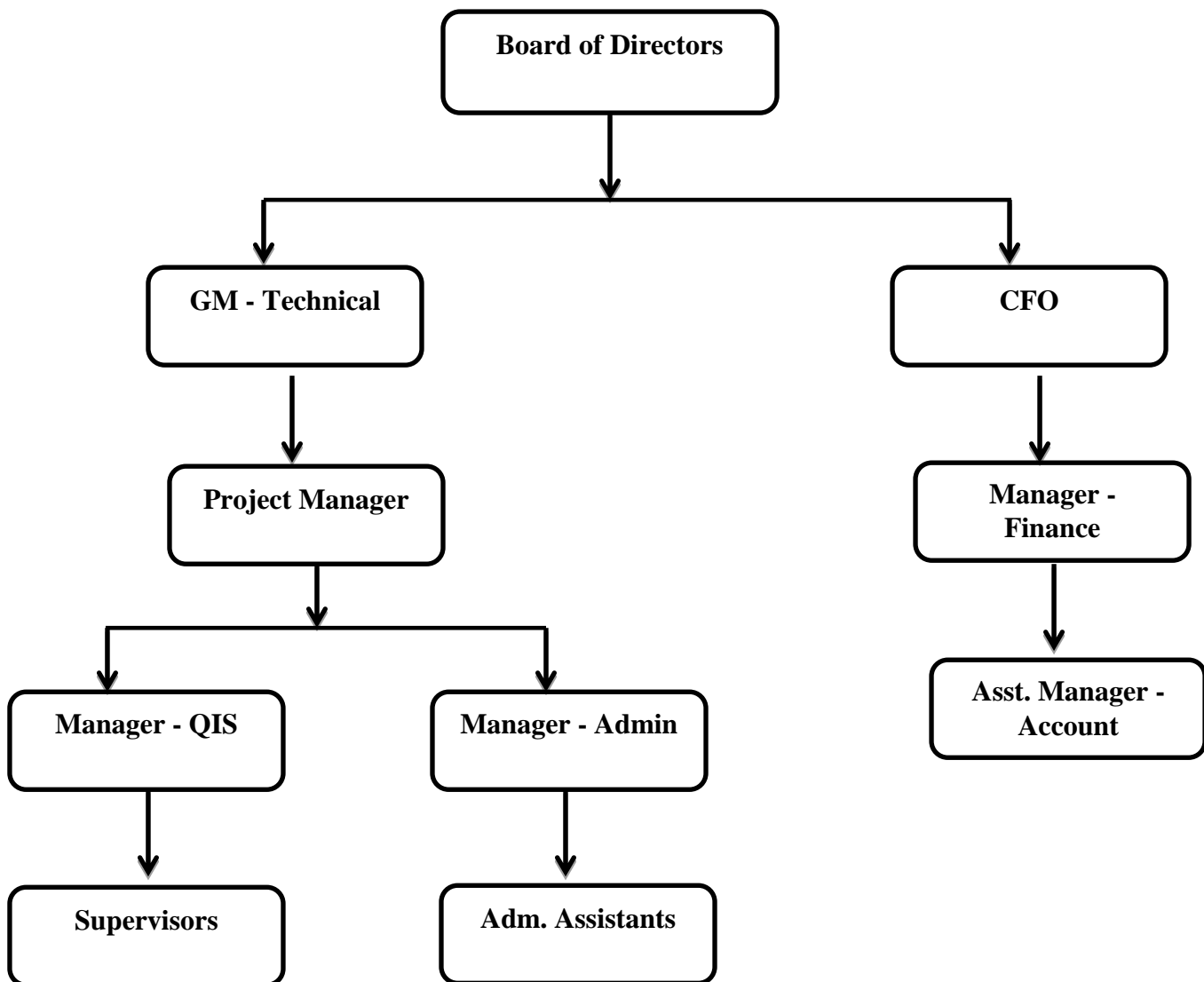
**Sole Subscriber
Address**

L&T Infrastructure Finance Company Limited
3B, Laxmi Towers, 1st Floor, Bandra Kurla Complex, Bandra East,
Mumbai 400 051
Tel: (022) 40605356
Fax: (022) 40605353
Email: pawan.soni@ltinfra.com

A BUSINESS OVERVIEW

The Issuer is a special purpose vehicle formed initially between Patel Engineering Limited and KNRCL. Pursuant to a change in shareholding, PEIL and Enpro Limited became the shareholders of the Issuer along with KNRCL. The Issuer was awarded the right to widen the existing two lane portion from Km 230 to Km 278 on National Highway 7 in the State of Andhra Pradesh to four lanes and improve, operate and maintain the same on a BOT Annuity basis (the “**Project**”) in accordance, with the provisions of the Concession Agreement dated September 5, 2007 executed between the National Highways Authority of India and the Issuer. The COD of the Project was achieved on June 11, 2010. An annuity amount of Rs. 44.37 Crores is payable semi-annually by NHAI to the Issuer after COD till the concession period. The Issuer has already completed and has already started receiving annuity payments from NHAI from September 2010.

Managerial Organizational Structure



The financial performance of the Issuer on a standalone basis is as follows:

<i>INR Crores</i>				
<i>Parameters (Please note that the line items provided below are only indicative)</i>	Quarter ended June 2013(Un-Audited)	Fiscal March 2011	Fiscal March 2012	Fiscal March 2013
Total debt	390.62	433.60	413.07	395.56
<i>(Of which-Non Current Maturities of)</i>				
Long Term Borrowing	364.84	414.71	390.44	369.82
Short Term Borrowing	-	-	-	-
Current Maturities of Long Term Borrowing	25.77	18.89	22.63	25.74
Net Fixed Assets	500.24	570.44	536.66	508.74
Non Current Assets	504.81	570.44	536.66	513.30
Cash and Cash Equivalents	20.35	1.63	30.62	34.91
Current Investments	-	-	-	-
Current Assets	80.32	68.02	92.07	72.27
Current Liabilities	32.47	30.31	25.53	29.20
Net sales	22.19	95.63	88.90	88.74
EBITDA	20.14	87.06	81.11	79.86
EBIT	11.65	59.82	47.33	46.18
Interest	11.53	36.93	50.82	49.73
PAT	0.12	22.89	(3.49)	(3.55)
Dividend amount	-	-	-	-
Current ratio	2.47	2.24	3.61	2.47
Interest coverage ratio	1.01	1.62	0.93	0.93
Gross debt/equity ratio	2.27	2.38	2.04	2.30
Debt Service Coverage Ratios	1.22	1.35	1.15	1.19

B OFFERING INFORMATION- REGULATORY DISCLOSURES

1. The following documents have been submitted to the BSE

- (i) This Draft Information Memorandum;
- (ii) Memorandum and Articles of Association of the Issuer;
- (iii) Board resolution of the Issuer; and
- (iv) Copy of the last three years audited annual reports.

2. Name and address of registered office of the Issuer

Name: Patel KNR Heavy Infrastructures Limited

Address: KNR House, 4th Floor, Plot no. 114, Phase – I, Kavuri Hills, Hyderabad – 500033

3. Names and addresses of the directors of the Issuer

The following table sets forth details regarding the Issuer’s Board of Directors as on date of the Information Memorandum:

Serial No	Name, Designation And DIN	Date of Birth	Address	Director of the Issuer since	Details of other directorship
1	Sudaschander Reddy Bollampally Director 01675600	16.01.1933	8-2-334/N/52, Road No.3, Banjara Hills, Hyderabad- 500034	20 th April 2006 (Since Inception)	<ul style="list-style-type: none"> • Patel KNR Infrastructures Limited • PEL Port Private Limited • Shree Balaji Power Services Private Limited • Jayshe Gas Power Private Limited • Patel Thermal Energy Private Limited • Patel Engineering Infrastructure Limited • Patel Energy Limited
2	Narasimha Reddy Kamidi Director 00382412	27.11.1948	Plot No :84, Womens Co-Operative Society, Road No.7, Jubilee Hills, Hyderabad, 500034	20 th April 2006 (Since Inception)	<ul style="list-style-type: none"> • KNR Constructions Limited • Vishnu Publicity Solutions Private Limited • Patel KNR Infrastructures Limited • KNR Energy Limited • KNR Muzaffarpur Holdings Private Limited • KNRC Holdings And Investments Private Limited • KNR Muzaffarpur - Barauni Tollway Private Limited

Serial No	Name, Designation And DIN	Date of Birth	Address	Director of the Issuer since	Details of other directorship
					<ul style="list-style-type: none"> • KNR Walayar Tollways Private Limited • Roche Polymers & Additives Private Limited • Gradient realty ventures private limited • Gradient estates private limited • Asara construction & projects private limited
3	Ashwin Ramanlal Parmar Director 00055591	04.11.1960	48 Pankaj Mansion Dr. A.B.Road, Worli, Mumbai 400018	1 st March 2011	<ul style="list-style-type: none"> • Shreeanant construction private limited • Michigan engineers pvt ltd • Fortunestar exim private limited • Patel KNR Infrastructures Limited • Patel Engineering Infrastructure Limited • ACP Tollways Private Limited

Details regarding the Issuer's Board since last three years

Sl No.	Name	Designation	DIN	Date of Appointment Resignation	Director of the Issuer since (in case of resignation)
1	Rupen Pravin Patel	Director	00029583	1 st June 2010	1 st March 2011

None of our current Directors appear in the RBI defaulter list and/or ECGC default list.

4. 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.

I. Details of the Share Capital as of June 30, 2013

Share Capital	In. Rs.
(A) Authorized Share Capital Equity Share Capital	30,00,00,000

Share Capital	In. Rs.
3,00,00,000 Equity shares of Rs. 10/- each	
(B) Issued, Subscribed and Paid up Capital Equity Share Capital	
2,38,23,804 Equity shares of Rs. 10/- each	23,82,38,040

II. Changes in its capital structure as on June 30, 2013, (authorized) for the last five years:

Date of change (AGM/EGM)	Rs (in crores)	Particulars
15 th February 2008	30.00 Crores	Increase authorized shares capital of the Issuer from Rs. 10.00 Lakhs to Rs. 30.00 Crores

III. Equity Share Capital History of the Issuer as on June 30, 2013 for the last five years.

Date of Allotment	No of Equity Shares	Face Value (Rs)	Issue Price (Rs)	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative	Equity Share Capital (Rs)	Equity Share Premium in (Rs)	Remarks
On Incorporation	10000	10	10	Cash		10000	100000	0	
09.05.2008	16666000	10	10	Cash		16676000	166760000	0	
13.03.2009	7147800	10	10	Cash		23823800	238238000	0	
01.06.2010	4	10	10	Cash		23823804	238238040	0	

IV. Details of any Acquisition or Amalgamation in the last 1 year.

NIL

V. Details of any Reorganization or Reconstruction, in the last 1 year as under

Type of Event	Date of Announcement	Date of Completion*	Details
NIL			

VI. Details of the shareholding of the Issuer as on June 30, 2013:-

Sr.No.	Particulars	Total No of Equity Shares	No. of Equity Shares in demat form	Total shareholding as % of total no of equity shares
1	Promoters			
	KNR Constructions Limited	9529501	9529500	40.00
	Patel Engineering Infrastructures Ltd	10006003	10006000	42.00
	ENPRO Limited	4288300	4288300	18.00
2	Promoter Group	-	-	-
3	Public Shareholding			
	(i) Institutions			
	Foreign Institutional Investors	-	-	-

	Others	-	-	-
	(ii) Non-Institutions			
	Body Corporate	-	-	-
	Others	-	-	-
	Total	-	-	-
		23823804	23823800	100

VII. List of top 10 holders of equity shares of the Issuer as on June 30, 2013:-

Sr.No.	Name of the Shareholder	Total no of Equity Shares	No of shares in demat form	Total shareholding as % of total no of equity shares
1	KNR Constructions Limited	9529500	9529500	40.00
2	Patel Engineering Infrastructures Ltd	10006000	10006000	42.00
3	ENPRO Limited	4288300	4288300	18.00
4	K Narasimha Reddy *	1	0	0.00
5	Rupen Patel \$	1	0	0.00
6	Siloo Patel \$	1	0	0.00
7	B S Reddy \$	1	0	0.00
	Total	23823804	23823800	100.00

* Nominee Shareholder of KNR Constructions Limited

\$ Nominee Shareholder of Patel Engineering Infrastructures Ltd.

5. Details of debt securities issued and sought to be listed

Issue of secured, rated, listed, redeemable non-convertible Debentures for an aggregate nominal amount of up to Rs. 400,00,00,000 (Rupees Four Hundred Crore Only) in the form of separately transferrable redeemable principal parts and structured in the form of 6 (six) different series, on a private placement basis.

6. Following are the details regarding the auditors of the Issuer

I. Details of the Auditors of the Issuer as on 30.06.2013

Name	Address	Auditor since
Gianender & Associates	Plot No 6, Site No 21, Geeta Mandir Marg New Rajinder Nagar New Delhi 110060 Tele Fax Nos: 011-42412008 Phone No: 011-28743942	29 th November 2008

II. Changes in the Auditors of the Issuer in the last three years

There has been no change in the Auditors for the last three years.

7. Issue Size

Up to Rs. 400 Crores (Rupees Four Hundred Crore Only).

8. Utilization of the Issue Proceeds

- (1) The proceeds from the Issue in relation to the Series A Debentures shall be utilized for part repayment of the amounts due and outstanding against the Issuer under the Existing Rupee Facilities, which shall be completed within 5 (five) Business Days from the Deemed Date of Allotment in compliance with the provisions of Applicable Law;
- (2) The proceeds from the Issue (except in relation to the Series A Debentures) shall be utilized for:
 - a. firstly, payment of costs, fees and expenses in connection with the Issue;
 - b. secondly, part repayment of the amounts due and outstanding against the Issuer under the Existing Rupee Facilities, which shall be completed within 5 (five) Business Days from relevant Deemed Date of Allotment;
 - c. thirdly, towards deposit of the DSRA Amount in the DSRA, deposit of an amount not exceeding Rs. 2,00,00,000 in the Major Maintenance Reserve Account and meeting any other Project expenses, and such payments ,or deposits, shall be completed, within 5 (five) Business Days from relevant Deemed Date of Allotment; and
 - d. fourthly, repayment of existing Promoter loans and unsecured loans aggregating to an amount not exceeding 135,00,00,000 (Rupees One Hundred and Thirty Five Crores) availed by the Issuer, which shall be completed within 5 (five) Business Days from relevant Deemed Date of Allotment;

9. A statement containing particulars of the dates of, and parties to all material contracts, agreements involving financial obligations of the Issuer

Date of the Agreement	Names of the other parties	Details
Debenture Trust Deed	Issuer Debenture Trustee	Dated August 29, 2013
Debenture Trustee Agreement	Issuer Debenture Trustee	Dated August 28, 2013
O&M Undertaking	KNR Debenture Trustee	Dated August 30, 2013
Deed of Hypothecation	Issuer Debenture Trustee	Dated August 30, 2013
PEL O&M Undertaking	PEL Debenture Trustee	Dated August 30, 2013
Promoter Support Undertaking	PEL KNR Enpro Debenture Trustee	Dated August 30, 2013

The material documents which may be inspected at the Registered Office of the Issuer from 11.00am to 1.00 pm from the date of this Information Memorandum, until the date of closure of this Issue are as follows.

- (A) Letter appointing IDBI Trusteeship Services Limited, as trustee to the Debenture Holder(s)
- (B) Memorandum and Articles of Association of the Issuer.
- (C) Copy of the Certificate of Incorporation of the Issuer
- (D) Certified true copy of the Resolution of Board of directors on July 9, 2013 for issuance of debentures and empowering for other related matters.
- (E) Copies of the latest Annual Report of the Issuer.
- (F) Letter dated August 28, 2013 from BSE conveying its in-principle approval for listing of Debentures.

(G) Letter dated August 28, 2013 from CARE conveying the initial credit rating for the Debentures of the Issuer and the rating rationale pertaining thereto.

(H) Agreement between the Issuer and NSDL and CDSL for the Issue of Debentures in dematerialized form.

10. Details of other borrowings including any other issue of debt securities in past as on June 30, 2013:

I. Details of Secured Loan Facilities

Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount Outstanding as on 30.06.2013	Schedule of Repayment
Allahabad Bank	Term Loan	100,00,00,000	85,69,15,624	54 Quarterly installments commencing on 01.03.2011 and ending on 01.06.2024
Bank of Baroda	Term Loan	75,00,00,000	64,96,20,843	- do -
Bank of Maharashtra	Term Loan	80,00,00,000	50,79,19,902	- do -
Canara Bank	Term Loan	100,00,00,000	72,39,78,027	- do -
Standard Chartered Bank, London	Term Loan	USD 25 Million	USD 2,17,62,500	Repayable in 27 Half Yearly installments commencing from 30.09.2010 and ending on 30.09.2023

II. Details of Unsecured Loan Facilities

Lender's Name	Type of Facility	Amount Sanctioned*	Principal Amount Outstanding as on 30.06.2013	Schedule of Repayment*
Patel Engineering Limited	Interest Free Subordinated Unsecured Loan		47887399	
Patel Engineering Infrastructure Limited	Interest Free Subordinated Unsecured Loan		760861243	
KNR Constructions Limited	Interest Free Subordinated Unsecured Loan		512030403	

III. Details of NCDs

NA.

IV. List of top 10 Debenture Holders

Name of the Debenture Holder	No. of Debenture	Nominal Value	Amount	Percentage (%)
NA				

V. The amount of corporate guarantee issued by the Issuer along with name of the counter party (like name of the subsidiary, joint venture entity, group company etc.) on behalf of whom it has issued.

NIL

VI. Following are the details of the Commercial Paper as on June 30, 2013

NIL

VII. Following are the details of foreign currency convertible bonds/compulsorily convertible debentures/preference shares as on June 30, 2013

Party Name (in case of Facility) Instrument Name	Type of Facility Instrument	Amount sanctioned /Issued	Principal Amount outstanding	Repayment Date/Schedule	Credit Rating	Secured /Unsecured	Security Created
NA							

VIII. Following are the details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee by the Issuer in the past 5 years

Not Applicable.

11. Details of the Promoter of the Issuer

Sr. No.	Name of shareholder	Total no of equity Shares	No. of shares in demat form	Total shareholding as % of total no of equity shares	No of shares pledged(P)/ Encumbered(E) (As on 14 th March 2013)	% of shares pledged with respect to shares owned.
1	KNR Constructions Limited	9529501	9529500	40.00	9529500	100
2	Patel Engineering Infrastructures Ltd	10006003	10006000	42.00	10006000	100
3	ENPRO Limited	4288300	4288300	18.00	4288300	100

12. Particulars of any outstanding borrowings or any Debt Securities issued

- For consideration other than cash, whether in whole or in part:
- At a premium or discount:
- In pursuance of an option:

NIL

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

No material event/ development or change has occurred at the time of Issue or subsequent to the Issue which may affect the Issue or the Debenture Holder(s) decision to invest / continue to invest in the debt securities.

14. Undertaking to use a Common Form of Transfer

The Issuer will issue debenture in Dematerialized form only and there will not be any Debentures in physical mode. Also, the normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these debentures held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant. The Issuer undertakes that there will be a common transfer form / procedure for transfer of debentures.

The Debentures shall be issued only in dematerialized form in compliance with the provisions of the Depositories Act, 1996 (as amended from time to time), any other applicable regulations (including of any relevant stock exchange). No physical certificates of the Debentures would be issued. The transfer of debentures in dematerialized form shall be in accordance with the procedure of transfer prescribed by the relevant depository and applicable law.

However, the Issuer would use a common transfer form for physical holdings, if at a later stage there is any

holding in physical form due to the depository giving the rematerialisation option to any investor.

15. Maturity, Rate of interest and Yield on redemption

Please refer to the summary of term sheet in Annexure I of this Information Memorandum.

16. Information relating to the terms of offer or purchase.

For information relating to the terms of offer please refer to the summary of term sheet in Annexure I of this Information Memorandum.

17. 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 par.

18. The debt equity ratio prior to and after issue of the Debentures.

The debt equity ratio prior to and after issue of the debt security

	Prior to the Issue As at 30.06.2013	Post Issue 400 crores)
Debt Equity Ratio (%)		
(On standalone Basis)	2.27:1	6.12:1 (Based on Unaudited Financials)

Notes :

1. Debt Equity Ratio

$$\frac{\text{Total Debt (Long Term + Short Term)}}{\text{Share Capital (Eq+Pref) + Free Reserves}}$$

2. Networth

$$\text{Share Capital (Eq+Pref) + Reserves \& Surplus}$$

19. Permission and Consent from the Creditors

All consents and permissions required the creditors for the Issue have been obtained by the Issuer.

20. Names of the Debentures Trustees and Consents thereof

The Debenture Trustee for the Issue is IDBI Trusteeship Services Limited.

IDBI Trusteeship Services Limited has given its written consent for its appointment as a Debenture Trustee to the Issue and inclusion of its name in the form and context in which it appears in this Information Memorandum. Consent letter from the Debenture Trustee is attached as Annexure 3.

21. Rating Rationale

The rating is based on the proposed credit enhancement measures in place, to mitigate the revenue risk, Operation and Maintenance (O&M) risk, creation of Major Maintenance Reserve Account (MMRA) and Debt Service Reserve Account (DSRA), and the structured payment mechanism for servicing the Debentures in the form of escrow of annuity receivables from National Highways Authority of India (NHAI - rated 'CARE AAA' for its bonds).

The rating also reflects the operational status of the project stretch and track record of timely receipt of semi-annuities since September 2010.

Any deterioration in the credit profile of the annuity provider (NHAI) and/or occurrence of force majeure events are viewed as the key rating sensitivities.

22. Listing

The Debentures of the Issuer are proposed to be listed on the WDM segment of the BSE. The Issuer shall comply with the requirements of the listing agreement to the extent applicable to it on a continuous basis.

The Issuer undertakes to get the Debentures listed within 20 days from the Deemed Date of Allotment. In case each or any of the Debentures are not listed on or before the Debenture Listing Date, the Issuer shall pay a penal interest at the rate of 1% (one percent) (“**Penal Interest**”) per annum over and above the Interest starting from the expiry of 30 (thirty) days from the Deed Date of Allotment till the listing of such Debentures by the Issuer.

23. A summary term sheet with brief prescribed information pertaining to the Non-Convertible debt securities (or a series thereof) (where relevant):

Attached as Annexure 1 to this Information Memorandum.

24. Debenture Redemption Reserve

Section 117C of the Act and the circular 04/ 2013 (No. 11/02/2012-CL-V) issued by the Ministry of Corporate Affairs, DRR is required to be maintained in case of privately placed debentures in accordance with the said circular and the Act.

25. Purchase and Sale of Debentures

The Issuer may, at any time and from time to time, purchase Debentures at the price available in the debt Market in accordance with the applicable laws. Such Debentures may, at the option of the Issuer, be cancelled, held or reissued at such a price and on such terms and conditions as the Issuer may deem fit and as permitted by law.

26. Buy Back of Debentures

The Issuer may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of Debentures, with a 5 (five) Business Days prior written notice to the Debenture Trustee upon such terms and conditions as may be decided by our Issuer.

The Issuer may from time to time invite the Debenture Holders to offer the Debentures held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Issuer may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such Debentures which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the Debentures in the market, subject to applicable statutory and/or regulatory requirements.

Any offer for buy back of the outstanding Debentures shall be made to all the Debenture Holders, across each series of Debentures and such offer shall be on a pro rata basis. The requirement of buy-back offer being extended to all the relevant Debenture Holders will apply irrespective of the mode of buy back. Each Debenture Holder shall be entitled to apply to the Issuer for an amount pro rata to the number of Debenture(s) held by such Debenture Holder(s). In case of any Debenture Holder, expressing an intent for not participating in the buy back offer or in case no response is received by the Issuer from any Debenture Holder(s) within a period of 7 (seven) days from the date of offer of buy back, then the other Debenture Holder(s) will be entitled to tender such number of additional Debentures which is equivalent or less than the share of the non participating Debenture Holders. Such buy back again will be on a pro rata basis among the participating Debenture Holders.

27. Repurchase, Redemption and Re-issue of Debentures

Debentures which are in electronic (dematerialised) Form can be repurchased by the Issuer through its Beneficiary Demat Account as per the norms prescribed by NSDL and/or CDSL. This right does not construe a call option. In the event of the Debenture(s) being bought back, or redeemed before maturity in any circumstance whatsoever, the Issuer shall be deemed to always have the right, subject to the provisions of Section 121 of the Act, to re-issue such debentures either by re-issuing the same debenture(s) or by issuing

other debentures in their place. The Issuer may also, at its discretion, at any time purchase Debenture(s) at discount, at par or at premium in the open market. Such Debenture(s) may, at the option of Issuer, be cancelled, held or resold at such price and on such terms and conditions as the Issuer may deem fit and as permitted by law.

Notwithstanding anything above, in the event the Issuer intends to purchase or buy back the Debentures then it shall give offer of buy back or purchase of Debentures to all the Beneficial Owners instead of giving preference to any of the Beneficial Owners except in case of purchase or buy back from the stock exchange. If an IDF Associate approaches the Debenture Holders or the Issuer to finance the Series A Debentures (or a part thereof) (“**Series A Re-Financing Offer**”, as set out in Schedule 17 of the Debenture Trust Deed), the relevant Debenture Holders shall be entitled to accept the terms of the Series A Re-Financing Offer within 7 (seven) days of the receipt of the Series A Re-Financing Offer. Upon acceptance of the Series A Financing Offer by the relevant Debenture Holders, the Debenture Trustee (acting on Approved Instructions) shall intimate the Issuer of Series A Re-Financing Offer within 3 (three) days of acceptance of such offer (“**Series A Re-Financing Offer Notice**”). Within 7 (seven) days of the receipt of the Series A Re-Financing Offer Notice, the Issuer shall redeem the Series A Debentures (or part thereof) in accordance with the terms of the Series A Re-Financing Offer Notice on a *pro rata* basis amongst the relevant Debenture Holders holding Series A Debentures (“**Redeemed Debentures**”) and re-issue secured, redeemable, non-convertible debentures in the form of separately transferrable redeemable principal parts equivalent in principal value to the Redeemed Debentures to the IDF Associate on the same terms and conditions as the Series A Debentures under the Debenture Trust Deed within 7 (seven) days of the redemption of the Redeemed Debentures, provided that the conditions set out in the Debenture Trust Deed are satisfied. It is clarified that each Series A Debenture Holder shall be entitled to apply to the Issuer for an amount *pro-rata* to the number of Series A Debenture(s) held by it. In case any such Debenture Holder expresses an intent for not participating in the re-financing offer or in case no response is received by the Issuer from any Series A Debenture Holder(s) within a period of 7 (seven) days from the date of notice of redemption issued by the Issuer, then the other Series A Debenture Holder(s) will be entitled to tender such number of additional Debentures which are equivalent to the share of the non-participating Series A Debenture Holders. Such redemption again will be on a *pro rata* basis among the participating Debenture Holders.

28. Governing Law and Jurisdiction

The Debentures are governed by and shall be construed in accordance with the Indian laws. Any dispute arising thereof will be subject to the non-exclusive jurisdiction of the courts and tribunals in the city of Mumbai and Chennai. The Issuer’s obligations under the Debentures shall, at all times, be subject to the directions of the Reserve Bank of India and the Securities and Exchange Board of India or any other Governmental Authority.

29. Consents

Consents in writing of the Registrar to the Issue and Debenture Trustee for the Debenture Holder(s) to act in their respective capacities, have been obtained.

30. Tax Benefits

A Debenture Holder is advised to consider in his own case the tax implications in respect of subscription to the Debentures after consulting his tax advisor.

31. Security

Please refer to the summary of term sheet in Annexure I of this Information Memorandum.

C OTHER INFORMATION AND ISSUE PROCEDURE

The Debentures being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of the Issuer, the terms of this Information Memorandum, Application Form and other terms and conditions as may be incorporated in the Debenture Trust Deed.

Mode of Transfer/ Transmission of Debentures

The Debentures shall be transferable freely to all classes of eligible Investors. The Debenture(s) shall be transferred and/ or transmitted in accordance with the Applicable Laws. The Debentures held in dematerialised form shall be transferred subject to and in accordance with the rules/ procedures as prescribed by NSDL/ CDSL and the relevant Depository Participants (“DP’s”) of the transferor or transferee and any other Applicable Laws and rules notified in respect thereof. 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 Register of Debenture Holder(s) maintained by the Depositories under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in electronic form. The seller should give delivery instructions containing details of the buyer’s DP account to his DP.

Investors may note that subject to Applicable Law, the Debentures of the Issuer would be issued and traded in dematerialised form only.

Debentures held in Dematerialised form

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by electronic clearing services (ECS), real time gross settlement (RTGS), direct credit or national electronic fund transfer (NEFT) (and where direct credit, ECS, RTGS, or NEFT service is not available, such payment shall be made by the Issuer by way of bank draft or demand drafts) to those Debenture Holder(s) whose names appear on the list of beneficiaries provided by the Depositories to the Issuer. The names would be as per the Depositories’ records on the relevant Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action.

The list of beneficiaries as of the relevant Record Date setting out the relevant beneficiaries’ name and account number, address, bank details and DP’s identification number will be given by the Depositories to the Issuer and the Registrar. Based on the information provided above, the Issuer will transfer payments required to be made in relation to any direct credit/ECS/NEFT/RTGS (or demand/bank drafts), to the bank account of the Debenture Holder for redemption and interest/ coupon payments.

Debenture Trustee for the Debenture Holder(s)

The Issuer has appointed IDBI Trusteeship Services Limited to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee intend to enter into the Debenture Trust Deed on or about the date of this Information Memorandum *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to timely payment of interest and repayment of principal and they will take necessary action, subject to and in accordance with the Debenture Trust Deed, at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, fails to do so. The Debenture Trust Deed shall more specifically set out rights and remedies of the Debenture Holders and the manner of enforcement thereof.

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.

Interest on Debentures

The payment of interest on the Debentures shall be made by the Issuer to those persons whose names appear in the Register of Debenture Holder(s) (or to first holder in case of joint-holders) as the Debenture Holder(s) as on the Record Date. Interest payments shall be made by the Issuer in the form of electronic clearing services (ECS), real time gross settlement (RTGS), direct credit or national electronic fund transfer (NEFT). In the event where direct credit, ECS, RTGS, or NEFT service is not available, such payment shall be made by the Issuer by way of bank draft or demand drafts.

In case of Debentures for which the beneficial owner is not identified by the relevant Depository as on the Record Date, the Issuer would keep in abeyance the payment of interest and/or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to it, whereupon the interest or benefits shall be paid to the relevant Debenture Holder(s) within a period of 30 Business Days.

Borrowing Powers of the Board

Pursuant to a shareholders' resolution dated February 15, 2008 in accordance with provisions of the Companies Act, 1956, the Board has been authorised to borrow, from banks/financial institutions at their discretion up to Rs. 1000 crores.

Sharing of Information

The Issuer may, at its option, but subject to Applicable Laws, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with its Subsidiaries and Affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its Subsidiaries and Affiliates nor their agents shall be liable for use of the aforesaid information.

Debenture Holder not a Shareholder

The Debenture Holder(s) will not be entitled to any of the rights and privileges available to the shareholders of the Issuer.

Rights of Debenture Holder(s)

The Debentures shall not, except as provided in the Act confer upon the Debenture Holders thereof any rights or privileges available to the members of the Issuer including the right to receive Notices or Annual Reports of, or to attend and/or vote, at the general meeting of the Issuer. However, if any resolution affecting the rights attached to the Debentures is to be placed before the shareholders, the said resolution will first be placed before the concerned registered Debenture Holder(s) for their consideration. In terms of Section 219(2) of the Act, holders of Debentures shall be entitled to a copy of the balance sheet on a specific request made to the Issuer.

The Debentures are subject to the provisions of the Act, the Memorandum and Articles of the Issuer, the terms of this Information Memorandum and the Application Form. Over and above such terms and conditions, the Debentures shall also be subject to other terms and conditions as may be incorporated in the Debenture Trust Deed, Debenture Certificates, SEBI Regulations, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Debentures.

The Debentures are subject to the provisions of the Act, the Memorandum and Articles of the Issuer, the terms of this Information Memorandum and the Application Form. Over and above such terms and conditions, the Debentures shall also be subject to other terms and conditions as may be incorporated in the Debenture Trust Deed, Debenture Certificates, SEBI Regulations, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by any Governmental Authority and/or other authorities and other documents that may be executed in respect of the Debentures.

Save as otherwise provided in this Information Memorandum or the Debenture Trust Deed, the provisions contained in Annexure C and/ or Annexure D to the Companies (Central Government's) General Rules and

Forms, 1956 as prevailing and to the extent applicable, will apply to any meeting of the Debenture Holder(s), in relation to matters not otherwise provided for in terms of the Issue of the Debentures.

A register of Debenture Holder(s) will be maintained in accordance with Section 152 and 152A of the Act and all interest and principal sums becoming due and payable in respect of the Debentures will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of Debenture Holder(s).

The Debenture Holder(s) will be entitled to their Debentures free from equities and/or cross claims by the Issuer against the original or any intermediate holders thereof.

Modifications of Rights

The rights, privileges, terms and conditions attached to the Debentures may be varied, modified or abrogated with Approved Instructions or with the sanction accorded pursuant to a resolution passed at a meeting of the Debenture Holders in accordance with the Debenture Trust Deed.

Modification of the Information Memorandum

The Registrar and the Issuer may agree, without the consent of the Debenture Holder(s), but with the prior notice of the Debenture Holder(s) to any modification of this Information Memorandum which is a manifest or proven error or is in violation of any provision of law.

Modification of the Debentures

The rights, privileges, terms and conditions attached to the Debentures may be varied, modified or abrogated upon Approved Instructions; provided that nothing in such consent, instruction or resolution shall be operative against the Issuer where such consent or resolution modifies or varies the terms and conditions governing the Debentures and the same are not reasonably acceptable to the Issuer acting reasonably.

Right to Accept or Reject Applications

The Board reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof, except from the Sole Subscriber or the IDF Associate.

The Application Forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- a. Number of Debentures applied for is less than the minimum application size;
- b. Bank account details not given;
- c. Details for issue of Debentures in electronic/ dematerialised form not given;
- d. PAN/GIR and IT Circle/Ward/District not given;
- e. In case of applications under Power of Attorney by limited companies, corporate bodies, etc. relevant documents not submitted;
- f. In the event, if any Debenture(s) applied for is/ are not allotted in full, the excess application monies of such Debentures will be refunded, as may be permitted.

The rejected applicants will be intimated along with the refund warrant, if applicable. Interest on application money will be paid from the date of the online/electronic transfer till one day prior to the date of refund.

Depository Arrangements changes (if any)

The Issuer has appointed Bigshare Services Private Limited, as Registrar to the Issue. The Issuer has made necessary depository arrangements with NSDL and CDSL for issue and holding of Debentures in dematerialized form.

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

1. The Issuer and the Debenture Trustee will enter into a Debenture Trust Deed on or about the date of this

Information Memorandum, inter alia, specifying the rights, powers, authorities and obligations of the Issuer and the Debenture Trustee in respect of the Debentures.

2. The Debenture Holder(s) shall, by signing the Application Form and without any further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of their agents or authorized officials to do inter-alia all acts, deeds and things necessary in respect of or relating to the security to be created for securing the Debentures strictly in accordance with the Debenture Trust Deed.
3. All the rights and remedies of the Debenture Holder(s) shall vest in and shall be exercised by the Debenture Trustee strictly in accordance with the Debenture Trust Deed.
4. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, fails to do so.
5. Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s).
6. The Debenture Trustee will protect the interest of the Debenture Holder(s) in the Event of 'Default' by the Issuer in regard to timely payment of interest and repayment of principal and they will take necessary action at the cost of the Issuer.

Debenture Trust Deed and this IM

The Terms and Conditions of this Information Memorandum shall be read in conjunction with the Debenture Trust Deed as registered in the Office of the relevant Sub-Registrar, Chennai in the State of Tamil Nadu. It is specifically agreed between the Debenture Trustee and the Issuer that in case of any repugnancy, inconsistency or where there is a conflict between the conditions as stipulated in these presents and the Information Memorandum, the conditions as stated in the Debenture Trust Deed shall prevail.

Notices

All notices to the Debenture Holder(s) required to be given by the Issuer or the Debenture Trustee shall have been given in the manner as prescribed under the Debenture Trust Deed.

Joint-Holders

Where two or more persons are holders of any Debenture(s), they shall be deemed to hold the same as joint tenants with benefits of survivorship subject to other provisions contained in the Articles of Association of the Issuer.

Issue Procedure

Only eligible Investors as given hereunder may apply for the Debentures by completing the application form in the prescribed format in BLOCK LETTERS in English as per the instructions contained therein.

The application should be for a minimum of 1 (one) Debenture (Rs. 1,00,000/-) and in multiples of 1 (one) Debenture (Rs. 1,00,000/-) thereafter.

No application can be made for a fraction of a Debenture. Application forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be duly completed by the applicant. This is required for the applicant's own safety and these details will be printed on the refund orders and interest/redemption warrants.

The applicant must along with the transfer payments/application amounts required to be made by way of any electronic clearing services (ECS), real time gross settlement (RTGS), direct credit or national electronic fund transfer (NEFT) (and where direct credit, ECS, RTGS, or NEFT service is not available, such payment shall be made by the Issuer by way of bank draft or demand drafts), to the bank account of the Issuer as per details mentioned in the application form. Any application amount if paid by way of either demand draft(s) or bank draft drawn or made payable in favour of the Issuer or otherwise as may be set out in the application form and crossed "Account Payee Only". Bank drafts or demand draft(s) may be drawn on any bank including a co-operative bank, which is a member or a sub-member of the bankers clearing house located at Mumbai.

The applicant or in the case of an application in joint names, each of the applicant, should mention its Permanent Account Number (PAN) allotted under the Income-tax Act, 1961. As per the provision of Section 139A(5A) of the Income Tax Act, PAN needs to be mentioned on the TDS certificates. Hence, the Investor should mention his PAN if the Investor does not submit Form 15G/15AA/other evidence, as the case may be for non-deduction of tax at source. In case the PAN has not been allotted, the applicant shall mention ‘Applied for’ and in case the applicant is not assessed to income tax, the applicant shall mention ‘Not Applicable’ (stating reasons for non applicability) in the appropriate box provided for the purpose. Application Forms without this information will be considered incomplete and are liable to be rejected. In case of failure to furnish PAN Number, tax at source will be deductible at the applicable rate.

Applications may be made in single or joint names (not exceeding three). In the case of joint applications, all payments will be made out in favour of the first applicant. All communications will be addressed to the first named applicant whose name appears in the Application Form at the address mentioned therein.

Application Procedure

Potential investors will be invited to subscribe by way of Application Form whose format prescribed in the Information Memorandum during the period between the issue opening date and the issue closing date (both dates inclusive). The Issuer reserves the right to close the Issue at the earlier date on the Issue being fully subscribed.

Basis of Allotment

The Investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to Issuer by the pay-in date.

Deemed Date of Allotment for the issue is September 3, 2013 by which date Investors would be intimated of allotment.

Payment Instructions

Applicants should remit the application amount alongwith the applications through RTGS on September 3, 2013.

The RTGS details of Issuer are as under:

IFSC Code: ICIC0000382

Account Name: PKHIPL Annuity Payment Escrow Account

Bank Account No.: 038205000914

Bank: ICICI BANK LTD

Branch: BANJARA HILLS

Eligible Investors

Nothing in this Information Memorandum shall constitute and/or deem to constitute an offer or an invitation to an offer, to be made to the public or any section thereof through this Information Memorandum and this Information Memorandum and its contents should not be construed to be a prospectus under the Act. The Issue is a domestic issue and is being made in India only.

This Information Memorandum and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. The categories of investors eligible to subscribe to the Debentures in this Issue, when addressed directly, are:

- (a) Banks and Financial Institutions;
- (b) Public Financial Institutions (as defined under Section 4A of the Act);
- (c) Non Banking Financial Companies;
- (d) Mutual Funds;
- (e) Companies;
- (f) Foreign Institutional Investors;
- (g) Insurance Companies; and
- (h) any other eligible investor who are authorized to invest in the debentures.

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

Depository Arrangements

The Issuer shall make necessary depository arrangements with CDSL and NSDL for issue and holding of Debentures in dematerialised form.

List of Beneficiaries

The Issuer shall request the Depositories to provide a list of Beneficiaries as at the end of the relevant Record Date. This shall be the list, which will be used for payments of interest or repayment of redemption monies, as the case may be.

Applications under Power of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/ document, if any, must be lodged along with the submission of the completed application form. Further modifications/ additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/ or bye-laws along with other constitution documents must be attached to the application form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed application.

Procedure for applications by Mutual Funds and Multiple Applications

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/ venture capital fund registered with the SEBI and such applications will not be treated as multiple applications, provided that the application made by the asset management company/ trustee/ custodian clearly indicates their intention as to the scheme for which the application has been made.

The applications forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of

- SEBI registration certificate
- Resolution authorizing investment and containing operating instructions
- Specimen Signature of authorized signatories

Documents to be provided by Investors

Investors need to submit the following documentation, as applicable

- Memorandum and Articles of Association / Documents Governing Constitution
- Resolution authorizing investment
- Government notification/ Certificate of incorporation
- Specimen signatures of the authorised signatories duly certified by an appropriate authority
- SEBI Registration Certificate (for Mutual Funds)
- Copy of PAN Card to be submitted
- Form 15AA granting exemption from TDS on interest
- Form 15H for claiming exemption from TDS on interest on application money, if any.
- Order u/s197 of Income Tax Act, 1961
- Order u/s10 of Income Tax Act, 1961
- Application form (including RTGS details)

Note: Participation by potential investors in the issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to peruse the Debenture Trust Deed and further ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

Applications to be accompanied with bank account details

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of interest and all other amounts payable to the Debenture Holder(s) through electronic transfer of funds or RTGS.

Succession

In the event of winding-up of the holder of the Debenture(s), the Issuer will recognize the executor or administrator of the concerned Debenture Holder(s), or the other legal representative as having title to the Debenture(s). The Issuer shall not be bound to recognize such executor or administrator or other legal representative as having title to the Debenture(s), unless such executor or administrator obtains probate or letter of administration or other legal representation, as the case may be, from a court in India having jurisdiction over the matter.

The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or other legal representation, in order to recognize such holder as being entitled to the Debenture(s) standing in the name of the concerned Debenture Holder on production of sufficient documentary proof or indemnity.

Nomination

In the event of, however, a deceased Debenture Holder having nominated any person entitled to be registered as the Debenture holder in the event of his death, such nominee shall be registered as the Debenture holder in place of the deceased Debenture holder, notwithstanding anything contained in any other law for the time being in force.

Mode of Payment

All payments must be made through cheque(s)/draft(s)/transfers/RTGS as set out in the Application Form. The Applicant is requested to write their names and application serial number on the reverse of the instruments by which the payments are made. The Applicant is requested to tick the relevant column "Category of Investor" in the Application Form.

Effect of Holidays

Should any of the dates defined above or elsewhere in this Information Memorandum other than the Deemed Date of Allotment, is not a Business Day, the next Business Day shall be considered as the effective date(s). In case Record Date / book closure date falls on a day which is not a Business Day, the day prior which is a

Business Day shall be the Record Date / book closure date.

Payment of Interest

Interest for each of the interest periods shall be computed on an actual/actual days a year basis on the principal outstanding on the Debentures at the Coupon Rate.

Tax Deduction at Source

- (a) All payments to be made by the Issuer shall be made after deduction or withholding for or on account of tax required to be made under Applicable Law (“**Tax Deduction**”). Provided however that any Tax Deduction made by the Issuer shall be subject to and in accordance with the provisions of the Debenture Trust Deed.
- (b) In the event the Issuer is required to make a Tax Deduction, the Issuer shall make the payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by Applicable Law.
- (c) The Issuer shall within the applicable statutory period after the due date of payment of any tax or other amount which it is required to pay, deliver to the Debenture Trustee evidence of such deduction, withholding or payment and of the remittance thereof to the relevant taxing or other authority.

Letters of Allotment

The Debentures will be credited in dematerialised form within the time period specified in the Debt Listing Agreement entered into between the Stock Exchange and the Issuer.

Deemed Date of Allotment

All the benefits under the Debentures, including but not limited to the payment of interest, will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is September 3, 2013.

Refunds

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within the applicable statutory period from the Deemed Date of Allotment.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the Registrar shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any and no interest shall be paid on such refund amount.

PAN Number

Every applicant should mention its Permanent Account Number (PAN) allotted under Income Tax Act, 1961, on the Application Form and attach a self attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

Payment on Redemption

Payment on redemption will be made by way credit through RTGS system/ ECS/ NEFT/direct credit/ electronic funds transfer (an in the absence of the same by way of bank drafts/demand drafts) in the name of Debenture Holder(s) whose names appear on the List of Beneficial Owners given by the Depository to the Issuer as on the Record Date. In case of any payment is made by the Issuer in the form of bank drafts or demand drafts, the same shall be payable at par at such places as the Issuer may deem fit. In case such “payable at par” facility is not available at any place of payment, the Issuer shall have the right to adopt any other suitable mode of payment.

The Debentures shall be taken as discharged on payment of the redemption amount by the Issuer on maturity to the registered Debenture Holder(s) whose name appears in the Register of Debenture Holder(s) on the Record Date. Such payment will be a legal discharge of the liability of the Issuer towards the Debenture Holder(s). On such payment being made, the Issuer will inform NSDL/CDSL and accordingly the account of

the Debenture Holder(s) with NSDL /CDSL will be adjusted.

The Issuer's liability to the Debenture Holder(s) towards all their rights including for payment or otherwise shall cease and stand extinguished on the Final Redemption Date.

Further the Issuer will not be liable to pay any interest or compensation up on redemption.

Payments of any amounts in relation to the Debentures, in the form of principal, interest or otherwise by the Issuer to the Debenture Trustee on behalf of the Debenture holders shall be deemed to be *pro tanto* payment and satisfaction to the Debenture Holders.

DECLARATION

We declare that all the relevant provisions of the Regulations/Guidelines issued by SEBI and other applicable law have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Regulations/Guidelines issued by SEBI and other applicable law, as the case may be. We further declare that approval of NHAI has been obtained in relation to the Issue and no statement made in this Information Memorandum is contrary to the approval from NHAI.

Signed for and on behalf of
Patel KNR Heavy Infrastructures Limited
sd-

Authorised Signatory

Date: September 2, 2013

Place: Mumbai

ANNEXURE 1: TERMSHEET

Issuer	Patel KNR Heavy Infrastructures Limited
Type of Instrument	Secured, Rated, Listed, Redeemable Non-Convertible Debentures in the form of separately transferrable redeemable principal parts (“STRPPs”) and structured in the form of 6 (six) different series
Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private Placement
Eligible Investors	<ul style="list-style-type: none"> (a) Banks and Financial Institutions; (b) Public Financial Institutions (as defined under Section 4A of the Act); (c) Non Banking Financial Companies; (d) Provident Fund Trust; (e) Companies; (f) Foreign Institutional Investors (FIIs); (g) Insurance Companies; and (h) any other eligible investor who are authorized to invest in the debentures.
Listing (including name of the stock exchange (s) where it will be listed and timeline for listing)	WDM segment of BSE Limited
Rating	AAA (SO) by CARE
Issue Size	Upto Rs. 400,00,00,000 (Rupees Four Hundred Crore Only)
Option to retain oversubscription amount	Not applicable
Utilisation of Issue Proceeds	<ul style="list-style-type: none"> (A) The Series A Subscription Amount shall be solely towards part repayment of the amounts due and outstanding against the Issuer under the Existing Rupee Facilities. (B) The Subscription Amounts (except for the Series A Subscription Amount) shall be utilized by the Issuer solely towards the following (and for no other purpose): <ul style="list-style-type: none"> (a) firstly, payment of costs, fees and expenses in connection with the Issue; (b) secondly, part repayment of the amounts due and outstanding against the Issuer under the Existing Rupee Facilities; (c) thirdly, towards deposit of the DSRA Amount in the DSRA, deposit of an amount not exceeding Rs. 2,00,00,000 in the Major Maintenance Reserve Account and meeting any other Project expenses; and (d) fourthly, repayment of existing Promoter loans and unsecured loans aggregating to an amount not exceeding 135,00,00,000 (Rupees One Hundred and Thirty Five Crores) availed by the Issuer; each in compliance with the provisions of Applicable Law. <p>The Issuer shall not use the proceeds of the Debentures towards:</p>

	<ul style="list-style-type: none"> (i) any capital market instrument such as equity and equity linked instruments or any other capital market related activities; (ii) extending loans to subsidiary companies/group companies/ associates or for making inter-corporate deposits; (iii) acquisition of land; and (iv) any speculative purposes.
Present Coupon Rate	<p>The Coupon Rate in relation to each series of Debentures would mean either of:</p> <ul style="list-style-type: none"> (d) in relation to Series A Debentures – 10.04% p.a.. (e) in relation to Series B Debentures - 9.50- % p.a.. (f) in relation to Series C Debentures - 9.75 % p.a.. (g) in relation to Series D Debentures - 9.75 % p.a.. (h) in relation to Series E Debentures – 10.00 % p.a.. (i) in relation to Series A Debentures – 10.35 % p.a.. <p>as applicable.</p>
Step-up Coupon Rate	All Coupon payments for each series of Debentures shall be made at the rate of Initial Present Interest applicable to such Debentures, provided however that upon the occurrence and during the continuance of a Rating Change Event, the Issuer shall be liable to pay Interest on the relevant series of Debentures at the rate of the Revised Present Interest applicable to such Debentures. Upon the occurrence of a Rating Change Event, the Debenture Trustee shall be entitled to increase the Interest on the relevant series of Debentures by 0.30% per annum each in addition to the Present Coupon Rate (as mentioned above) for each notch downgrade of the credit rating of such Debentures.
Step Down Coupon Rate	NA
Coupon Payment Frequency	The Interest payments shall be made on a semi-annual basis on each Subsequent Interest Payment Date after the first Interest Payment Date.
Coupon type	Fixed
Coupon Reset Process	Not applicable
Day Count Basis	Actual/Actual
Interest Calculation	Interest for each of the interest periods shall be calculated, on 'actual/ actual' basis, on the face value of principal outstanding on the Debentures at the coupon rate rounded off to the nearest Rupee.
Interest on Application Money	Interest on application money will be paid to investors at relevant Coupon Rate from the date of realization of subscription money up to one day prior to the Deemed Date of Allotment. Such interest shall be payable within seven Business Days from the Deemed Date of Allotment.
Default Interest	Upon non-payment any amounts payable under any series of Debentures, the Issuer shall also pay default interest at a rate of 2% p.a. over and above the Coupon rate on and from the date of the occurrence of such failure to make payment of appropriate amounts till the date such default is remedied to the satisfaction of the Debenture Trustee (acting on Approved Instructions).
Additional Interest	In the event the Issuer fails to create and perfect the Security (or any part thereof) within the timelines as mentioned hereunder, the Issuer shall be liable to pay an additional interest at the rate of 2% (two percent) (“ Additional Interest ”) over and above the applicable Interest payable on each series of the Debentures, till the due creation and perfection of the relevant security interests.
Delay in Listing	In case of delay in listing of the debt securities beyond 20 days from the Deemed Date of Allotment, the Issuer will pay penal interest rate of at least 1% p.a. over the coupon rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of such debt securities to the investor.
Tenor	14 years from Deemed Date of Allotment
Redemption Date (s)	Means the (a) Scheduled Redemption Date or (b) an Early Redemption Date.
Scheduled Redemption	The Issuer shall redeem the Debentures (in principal parts) (in number) on each of the following dates:

Date	Scheduled Redemption Date	Series A Debentures	Series B Debentures	Series C Debentures	Series D Debentures	Series E Debentures	Series F Debentures	Total
	30-Sep-13	400	350					
31-Mar-14	400	350						750
30-Sep-14	460	395						855
31-Mar-15	460	395						855
30-Sep-15	475	415						890
31-Mar-16	475	415						890
30-Sep-16	450		140					590
31-Mar-17	450		140					590
30-Sep-17	405		320					725
31-Mar-18	405		320					725
30-Sep-18	435				415			850
31-Mar-19	435				415			850
30-Sep-19	555				400			955
31-Mar-20	555				400			955
30-Sep-20	585					445		1030
31-Mar-21	585					445		1030
30-Sep-21	555					590		1145
31-Mar-22	555					590		1145
30-Sep-22	750					560		1310
31-Mar-23	750					560		1310
30-Sep-23	1005						1100	2105
31-Mar-24	1005						1100	2105
30-Sep-24	1480						1305	2785
31-Mar-25	1480						1305	2785
30-Sep-25	2890						-	2890
31-Mar-26							3040	3040
30-Sep-26							3045	3045
31-Mar-27							3045	3045
	Total	18000	2320	920	1630	3190	13940	40000
Redemption Amount	The Debenture shall be redeemed in full along with any amounts payable on the Redemption Date along with any other costs including Early Redemption Costs. Interest, Default Interest, as may be applicable.							
Issue Price	Rs. 1,00,000 per Debenture.							
Discount at which security is issued and the effective yield as a result of such discount	Not applicable							
Put Option Date	Not applicable							
Put Option Price	Not applicable							
Call Option Date	Not applicable							

Call Option Price	Not applicable
Put Notification Time	Not applicable
Call Notification Time	Not applicable
Buy back option	<p>(a) The Issuer may make an offer for buy back of the outstanding Debentures with a 5 (five) Business Days prior written notice to the Debenture Trustee (“Buyback Offer”). Any offer for buy back of the outstanding Debentures shall be made to all the Debenture Holders, across each series of Debentures and such offer shall be on a <i>pro rata</i> basis. The requirement of buy-back offer being extended to all the relevant Debenture Holders will apply irrespective of the mode of buy back. Each Debenture Holder shall be entitled to apply to the Issuer for an amount <i>pro rata</i> to the number of Debenture(s) held by such Debenture Holder(s). In case of any Debenture Holder, expressing an intent for not participating in the buy-back offer or in case no response is received by the Issuer from any Debenture Holder(s) within a period of 7 (seven) days from the date of offer of buy back, then the other Debenture Holder(s) will be entitled to tender such number of additional Debentures which is equivalent or less than the share of the non participating Debenture Holders. Such buy back again will be on a <i>pro rata</i> basis among the participating Debenture Holders.</p> <p>(b) Early Redemption Costs payable by the Issuer in relation to any redemption pursuant to this Buy back option shall be as determined by each of the participating Debenture Holders.</p> <p>(c) The redemption of the Debentures under to this Buy back option shall be in inverse order of maturity.</p> <p>(d) The Issuer shall not make any Buyback Offer to the Debenture Holders without making an offer to prepay the ECB Facilities and ECB Hedge Counterparty liabilities on a <i>pro rata</i> basis.</p>
Mandatory Redemption	<p>The Issuer shall mandatorily redeem all the outstanding Debentures:</p> <p>(a) if the Issuer fails to get the Debentures listed on the Stock Exchange within 20 (twenty) days from the Deemed Date of Allotment, or within any additional time period agreed to be provided by the Debenture Trustee;</p> <p>(b) before undertaking any capacity augmentation in accordance with the terms of the Concession Agreement;</p> <p>(c) the termination of the Concession Agreement.</p>
Cash Sweep	<p>(a) Upon receiving a confirmation from the Issuer of the existence of Surplus Project Cash, the Debenture Trustee shall forthwith intimate the Debenture Holders by way of a written notice informing all the Debenture Holders of Surplus Project Cash being available with the Issuer (“Surplus Project Cash Notice”). Upon receipt of the Surplus Project Cash Notice, the Debenture Holders of each or any of the series may issue a written notice to the Issuer, requiring the Issuer to redeem such Debentures of relevant Debenture Holders on a <i>pro rata</i> basis (“Cash Sweep Redemption Notice”). The Issuer shall forthwith redeem and in any case no later than 5 (five) days from of the receipt of the Cash Sweep Redemption Notice redeem the Debentures issued under each of Series B Debentures, Series C Debentures, Series D Debentures, Series E Debentures, and Series F Debentures in inverse order of maturity.</p> <p>(b) No Early Redemption Costs shall be payable by the Issuer in relation to any redemption pursuant to the exercise of the Cash Sweep option by the Debenture Holder.</p> <p>(c) It is clarified that the redemption of the Debentures under pursuant to exercise of the Cash Sweep Option shall be carried out on an annual basis.</p> <p>(d) The Surplus Project Cash will also be used to prepay the ECB Facilities (along with any amounts due to the ECB Hedge Counterparty) on a basis <i>pari passu</i> with the Debenture Holders in accordance with the Transaction Documents.</p>
Investment by Infrastructure Debt Fund	<p>(a) If an IDF Associate approaches the Debenture Holders or the Issuer to finance the Series A Debentures (or a part thereof) (“Series A Re-Financing Offer”), the relevant Debenture Holders shall be entitled to accept the terms of the Series A Re-Financing Offer within 7 (seven) days of the receipt of the Series A Re-Financing Offer. Upon acceptance of the Series A Financing Offer by the relevant Debenture Holders, the Debenture Trustee (acting on Approved Instructions)</p>

	<p>shall intimate the Issuer of Series A Re-Financing Offer within 3 (three) days of acceptance of such offer (“Series A Re-Financing Offer Notice”). Within 7 (seven) days of the receipt of the Series A Re-Financing Offer Notice, the Issuer shall redeem the Series A Debentures (or part thereof) in accordance with the terms of the Series A Re-Financing Offer Notice on a <i>pro rata</i> basis amongst the relevant Debenture Holders holding Series A Debentures (“Redeemed Debentures”) and re-issue secured, redeemable, non-convertible debentures in the form of separately transferrable redeemable principal parts equivalent in principal value to the Redeemed Debentures to the IDF Associate (“IDF Debentures”) on the same terms and conditions as the Series A Debentures under the Debenture Trust Deed within 7 (seven) days of the redemption of the Redeemed Debentures, provided that the conditions set out in sub-clause (b), (c), (d), (e), (f) and (g) below are satisfied. It is clarified that each Series A Debenture Holder shall be entitled to apply to the Issuer for an amount <i>pro-rata</i> to the number of Series A Debenture(s) held by it. In case any such Debenture Holder expresses an intent for not participating in the re-financing offer or in case no response is received by the Issuer from any Series A Debenture Holder(s) within a period of 7 (seven) days from the date of notice of redemption issued by the Issuer, then the other Series A Debenture Holder(s) will be entitled to tender such number of additional Debentures which are equivalent to the share of the non-participating Series A Debenture Holders. Such redemption again will be on a <i>pro rata</i> basis among the participating Debenture Holders.</p> <p>(b) Before or on or about the issuance of the IDF Debentures, the Issuer, NHAI, the Lenders’ Representative and the IDF Associate shall sign a tripartite agreement (“Tripartite Agreement”). Further, the Issuer shall abide by the terms of the Tripartite Agreement and the RBI IDF Directions.</p> <p>(c) The terms and conditions of the IDF Debentures shall be <i>pari-materia</i> with the terms and conditions applicable to Series A Debentures.</p> <p>(d) The Issuer shall not be required to utilise any proceeds, amounts, monies or cash flows accruing to the Issuer from the Project to redeem the Redeemed Debentures.</p> <p>(e) All consents required from any Governmental Authority or any person shall be obtained upfront before the redemption of the Redeemed Debentures and reissue of such Redeemed Debentures in the form of IDF Debentures.</p> <p>(f) The Debenture Trustee shall not be required to act upon the Series A Financing Offer until the IDF Associate confirms that it shall comply the terms and conditions of the Transaction Documents.</p> <p>(g) The other Debenture Holders shall not object against the transactions contemplated in relation to investment by an Infrastructure Debt Fund.</p> <p>(h) In case of occurrence and continuance of an event of default under the Transaction Documents, the relevant Debentures will be redeemed in accordance with the payments mechanisms set out in the Finance Documents.</p> <p>(i) The Issuer shall take steps and actions (including executing all necessary documents in a form and manner satisfactory to the Debenture Trustee) in accordance with Applicable Law (including the Act and the Debt Listing Regulations) or as may be required by the Debenture Trustee for issuance, re-issuance or transfer (as the case may be) of such Series A Debentures to the IDF Associate in accordance with RBI IDF Directions.</p>
<p>Additional Rights to IDF Associate</p>	<p>Upon investment by the IDF Associate and execution of the Tripartite Agreement, the IDF Associate shall have certain rights under the Tripartite Agreement, in addition to its rights under the Debenture Trust Deed and this Information Memorandum. These additional rights may require the Issuer to provide preference to the IDF Associate over the other Debenture Holders.</p>
<p>Premature Redemption on Account of Investment by IDF Associate</p>	<p>(a) The Issuer shall be entitled to redeem Series A Debentures on account of subscription to IDF Debentures by an IDF Associate.</p> <p>(b) No Early Redemption Costs shall be payable in case of any mandatory redemption of the Series A Debentures (or part thereof) on account of subscription to IDF Debentures by an IDF Associate as mentioned above.</p>

Face Value	Rs. 1,00,000 (Rupees One Lakh)
Minimum Application Size	Rs. 400,00,00,000 (Four Hundred Crores)
Issuance Mode	Dematerialized
Trading / Settlement	Dematerialized at WDM Segment of BSE
Issue of Debentures	The Issuer will issue the Debentures / Letters of Allotment in dematerialized form within two business days from the Deemed Date of Allotment
Business Day Convention	Should any of the dates defined above or elsewhere in this Information Memorandum other than the Deemed Date of Allotment, fall on a Sunday or a public holiday or is not a Business Day, the succeeding Business Day shall be considered as the effective date(s). In case of Record Date / book closure or a date on which any action is to be taken or payment to be made in accordance with the Transaction Documents date falls on a day which is not a Business Day, the Business Day preceding such non-Business Day shall be such date.
Promoter Support Undertaking	<p>The Issuer agrees to procure an undertaking from the Promoters in a form and manner satisfactory to the Debenture Trustee (acting on Approved Instructions). The Promoters shall, jointly and severally, undertake and agree that they shall:</p> <p>(i) retain Control over the Issuer;</p> <p>(ii) fund the shortfall in payments to Debenture Holders in case of termination of the Concession Agreement by NHAI due to a default or potential event of default of the Issuer as per the terms of the Concession Agreement; and</p> <p>provide a bank guarantee to NHAI during the last 2 (two) years of the Concession Period equivalent to an amount of 15% (fifteen percent) of the Annuity, or a higher sum, as estimated by the independent consultant appointed NHAI in accordance with Clause 25.3.2 of the Concession Agreement to the Company in order to facilitate the release of such Annuity funds by NHAI.</p>
O&M Support Undertaking	<p>The Issuer agrees to procure the O&M Support Undertaking from KNRCL in a form and manner satisfactory to the Debenture Trustee (acting on Approved Instructions). KNRCL shall undertake and agree that it shall:</p> <p>(i) cover any escalation of the Fixed O&M Price, including major maintenance costs that are incurred till the Final Redemption Date;</p> <p>(ii) provide a performance guarantee to cover 10% (ten percent) of the major maintenance costs in each and every Financial Year;</p> <p>(iii) fund any shortfall in meeting major maintenance costs that are incurred till the Final Redemption Date; and</p> <p>(iv) fund any shortfall in receivables from NHAI on account of Non-Availability .</p>
O&M Back-Up Support Undertaking	The Issuer agrees to procure the O&M Back-up Support Undertaking from PEL in a form and manner satisfactory to the Debenture Trustee (acting on Approved Instructions). PEL shall undertake and agree that it shall issue the O&M Back-up Support Undertaking and ensure the performance of the O&M Support Undertaking by KNRCL.
NHAI Approval Undertaking	The Issuer shall issue an undertaking in favour of NHAI that the debt refinancing proposal will not have the effect of increasing any financial liability or obligation of NHAI and it will not jeopardise the interest of NHAI in any manner. The Issuer agrees and acknowledges that such an undertaking shall form part of the Finance Documents in accordance with the terms and conditions of the Concession Agreement.
Record Date	15 days prior to each Redemption/Interest Payment Date
Security	<p>(a) first ranking <i>pari passu</i> charge by way of simple mortgage in favour of the Debenture Trustee (for the benefit of the Debenture Holders) over the Mortgaged Property, save and except the Project Assets;</p> <p>(b) first <i>pari passu</i> charge on all the Issuer's tangible moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future save and except the Project Assets;</p> <p>(c) first <i>pari passu</i> charge on all the intangible assets of the Issuer including but not limited to goodwill, rights, undertaking and uncalled capital present and future excluding the Project Assets (provided that all amounts received on account of any of these shall be deposited in the Escrow</p>

	<p>Account that the charges on the same shall be subject to the extent permissible as per the priority specified in the Clause 25.2.1 and 25.3 of the Concession Agreement and Clause 3.3.1 and Clause 3.3.2 of the Escrow Agreement. Further, a charge on uncalled capital, as set in above, shall be subject however to the provisions of Clause 11.1 (xiii) of the Concession Agreement;</p> <p>(d) first <i>pari passu</i> charge over all accounts of the Issuer, including the DSRA, Escrow Account and sub-Accounts (except for the PKHIL Debenture Redemption Reserve Account, PKHIL ECB Redemption Reserve Account and PKHIL ECB Finance Parties Holding Account) (or any account in substitution thereof) that may be opened and the Escrow Agreement, or any of the other Project Documents and all funds from time to time deposited therein, the receivables and all Authorised Investments or other securities, provided that:</p> <p>(i) the same being applied to the extent of waterfall of priority of payment as specified in Clause 25.2.1 and Clause 25.3 of the Concession Agreement and Clause 3.3.1 and Clause 3.3.2 of the Escrow Agreement and not beyond that;</p> <p>(ii) the charge over the receivables shall be enforceable by the Senior Lenders or on their behalf only for the purpose of ensuring that the receivables are credited to the Escrow Account for the purpose of being applied to the extent of waterfall of priority of payment as specified in Clause 25.2.1 and Clause 25.3 of the Concession Agreement and Clause 3.3.1 and Clause 3.3.2 of the Escrow Agreement and not beyond that;</p> <p>(e) pledge of 100% (One Hundred percent) of the issued, paid up and voting equity share capital of the Issuer held by the Promoters in the Issuer till the Final Redemption Date. Provided that any enforcement of the pledge over shall be subject to Clause 11.1 (xiii) of the Concession Agreement and the prior approval of NHAI provided therein</p> <p>(f) Assignment by way of security of the following:</p> <p>(i) all the rights, title, interest, benefits, claims and demands whatsoever of the Issuer in the Project Documents;</p> <p>(ii) the rights, title and interest of the Issuer in, to and under all the Government Approvals;</p> <p>(iii) all the rights, title, interest, benefits, claims and demands whatsoever of the Issuer in any letter of credit, guarantee including Contractors' guarantees and Liquidated Damages and performance bond provided by any party to the Project Document;</p> <p>(iv) all the rights, title, interest, benefits, claims and demands whatsoever of the Issuer under all Insurance Contracts;</p> <p><i>provided that</i>, the charge on assignment mentioned in paragraph (f) above shall be enforceable in (A) the manner specified in the New Substitution Agreement so as to enable the Nominated Company (as defined under the Concession Agreement) to substitute the Issuer in respect thereof as per the Substitution Agreement; and (B) only for the purpose of ensuring that the amounts received thereupon are credited to the Escrow Account for the purpose of being applied in the order of priority specified in Clause 25.2.1 and Clause 25.3 of the Concession Agreement and Clause 3.3.1 and Clause 3.3.2 of the Escrow Agreement and not beyond that.</p>
<p>Transaction Documents</p>	<p>(a) this Finance Documents;</p> <p>(b) the Project Documents; and</p> <p>(c) any other document that may be designated as a Transaction Document by the Debenture Trustee.</p>
<p>Conditions Precedent to issuance in relation to each Obligor</p>	<p>(a) An up-to-date certified true copy of the constitutional documents of each Obligor (being its memorandum of association, articles of association, certificate of incorporation and (if applicable) certificate of commencement of business).</p> <p>(b) A copy of a resolution of the board of directors of the Issuer.</p> <p>(c) A copy of a resolution of the board of directors of each Obligor (other than the Issuer).</p> <p>(d) A specimen of the signature of each person authorised by the resolution referred to in paragraphs (b) and (c) above.</p>

	<ul style="list-style-type: none"> (e) A certificate of a Director of each Obligor certifying that each copy document relating to it specified in this Schedule 13 is correct, complete and in full force and effect as at a date no earlier than the date of the relevant Transaction Document to which it is a party and the Deemed Date of Allotment. (f) An undertaking from each Pledgor to obtain a no-objection certificate from the relevant income tax officer as contemplated under Section 281 of the Income Tax Act, 1961 within 90 days of the Deemed Date of Allotment. (g) An undertaking from the Issuer to obtain a no-objection certificate from the relevant income tax officer as contemplated under Section 281 of the Income Tax Act, 1961 within 60 days of the Deemed Date of Allotment. (h) Evidence of application made to the assessing officer by each Pledgor and the Issuer for obtaining a no objection under Section 281(1) of the Income Tax Act, 1961 for creation of Security Interest in accordance with the relevant Security Document to which it is a party. (i) A certificate each from the statutory auditor of each Pledgor certifying that that no amounts are outstanding and no proceedings pending against such Obligor under the Income Tax Act, 1961 (including as contemplated under Section 281 of the Income Tax Act, 1961).
<p>Conditions Precedent to issuance in relation to the Issuer</p>	<ul style="list-style-type: none"> (a) A certified true copy of a resolution of the shareholders of the Issuer approving (among others) the current borrowing limits of the Issuer, in accordance with Section 293(1)(d) and Section 293(1)(a) of the Act. (b) A certificate of a Director of the Issuer. (c) A certificate of the statutory auditor of the Issuer. (d) A certified true copy of the credit rating letter dated July 25, 2013 issued by CARE. (e) Evidence that the Issuer has entered into a tri-partite agreement with the Stock Exchange and the registrar to the issue of Debentures. (f) A copy of the In-Principle Approval of the Stock Exchange for the listing of the Debentures. (g) Evidence that Rs. 1,000 (Rupees One thousand) has been deposited with the Debenture Trustee for the settlement of a trust. (h) Evidence that KYC checks of the Issuer have been completed. (i) The Issuer having received the ISIN Number in relation to the Debentures. (j) Evidence that the relevant Security Documents have been filed with the Stock Exchange. (k) Evidence of establishment of the DSRA Account and the Escrow Account in accordance with the Escrow Agreement. (l) A copy of the acknowledged notice by the Escrow Bank in accordance with the Deed of Hypothecation. (m) Title Search Report in respect of the Mortgaged Property. (n) Evidence that the Issuer has completely hedged both Interest risk and foreign exchange risk for the entire tenure of the ECB Facility to the satisfaction of the Debenture Trustee. (o) Confirmation from Existing Rupee Lenders on the outstanding amount under the Existing Rupee Facilities. (p) Credit information from Existing Rupee Lenders that the Issuer's account is classified as a 'standard asset' as per Applicable Law (including any asset classification norms, rules and regulations issued by the RBI). (q) Confirmation from the ECB Lenders on the outstanding amounts under the ECB Facilities. (r) Appointment of a debenture trustee registered with the Securities Exchange Board of India. (s) Evidence of the Issuer having appointed appropriate technical, financial and executive personal of proper qualification to key positions to ensure the smooth operations of the Project in a form and manner satisfactory to the Debenture Trustee. (t) The Issuer having provided to the Debenture Trustee, a certificate or other acceptable evidence accurately describing the insurances obtained by the Issuer and certifying that all such insurances are in full force and effect and conform in all respects to the insurance required to be obtained in accordance with the terms of the Transaction Documents. A copy of each of the Insurance Contracts shall be submitted by the Issuer to the Debenture Trustee. (u) A certified true copy of Form 10 (along with chalan) filed with the relevant ROC by the Issuer in relation to the security interest created over the Secured Assets. (v) Certified true copies of the consents received by the Issuer for issuance of the Debentures from the Existing Rupee Lenders. (w) Consent letter from the Debenture Trustee to act as the Debenture Trustee on behalf of the Debenture Holders.

	<p>(x) The following Transaction Documents duly executed by each of the parties thereto in the form and manner satisfactory to the Debenture Trustee:</p> <ol style="list-style-type: none"> i. the Debenture Trust Deed; ii. Debenture Trustee Agreement; iii. Deed of Hypothecation; iv. Escrow Agreement; v. Promoter Support Undertaking; vi. O&M Support Undertaking; vii. O&M Back-up Support Undertaking; viii. Memorandum of Operating Procedure; and ix. Any powers of attorney issued in favour of the Debenture Trustee by the Issuer. <p>(y) A legal opinion of J Sagar Associates. (z) The latest financial statements of each Obligor. (aa) Evidence that all Taxes (including stamp duty) payable in India in connection with the execution, performance and/or enforcement of the Transaction Documents have been paid. (bb) Satisfaction of the Debenture Trustee and each original subscriber to the Debentures of the “know your customer” requirements. (cc) The Issuer shall have provided evidence that all fees and expenses due to be paid by the Issuer will be paid on or before the Deemed Date of Allotment, or as agreed between the Issuer and the Debenture Trustee. (dd) All required approvals issued by the NHAI in relation to the Finance Documents in a form and manner satisfactory to the investors. (ee) A copy of any other authorisation or other document, opinion or assurance which the Debenture Trustee considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by any Transaction Document or for the validity and enforceability of any Transaction Document. (ff) All relevant statutory, regulatory, governmental and other relevant approvals (statutory or otherwise), licenses and any depository arrangements required in connection with the issue and allotment of the Debentures (in dematerialised form), and in connection with the creation of Security, have been received. (gg) Disclosure document with disclosures as required under regulation 21 of the Debt Listing Regulations and as per the format prescribed in Schedule ‘I’ of the Debt Listing Regulations (as amended from time to time). (hh) A copy of all insurances policies obtained by the Issuer in relation to the Secured Assets of the Issuer, along with evidence of the Debenture Trustee name therein as the first loss payee.</p>
<p>Conditions Subsequent to disbursement</p>	<p>(a) No later than 5 (five) days from the Deemed Date of Allotment, the Debenture Trustee shall have received the following documents:</p> <ol style="list-style-type: none"> i. a copy of the no dues certificate issued by each Existing Rupee Lender confirming repayment of the relevant Existing Rupee Facility; ii. a copy of the release documents in relation to the release of existing Security Interest in favour of Existing Rupee Lenders over the Secured Assets; and iii. a certified true copy of Form 17 (along with the relevant challan) filed by the Issuer, along with the payment receipt thereof. <p>(b) Within 90 (ninety) days from the Deemed Date of Allotment, the Debenture Trustee shall have received the following documents:</p> <ol style="list-style-type: none"> i. From each Pledgor, a certified true copy of the board resolution and any other corporate authorisation required for the creation of the Share Pledge; <p style="padding-left: 40px;">A. necessary forms/ applications/ documents filed by each Pledgor with its depository</p>

	<p>participant in relation to pledge of shares of the Issuer;</p> <p>B. pledge master reports from the depository participant of each Pledgor confirming the creation of pledge over the shares of the Issuer;</p> <p>C. from each Pledger, a copy of the no-objection certificate/permission of the assessing officer granted to under section 281(1) of the Income Tax Act, 1961 in relation to pledge over the shares of the Issuer in accordance with Share Pledge Agreement;</p> <p>D. a certificate from a director of each Pledgor;</p> <p>E. a certificate from a chartered accountant of each Pledgor; and</p> <p>F. an executed copy of the Share Pledge Agreement.</p> <p>(c) Within 60 (sixty) days from the Deemed Date of Allotment, a copy of the no-objection certificate/permission of the assessing officer granted to the Issuer under section 281(1) of the Income Tax Act, 1961.</p> <p>(d) ‘Scores id’ and password from SEBI has been obtained by the Issuer.</p> <p>(e) Within 7 days from the Deemed Date of Allotment, the Issuer has received the Final Listing Approval from the Stock Exchange.</p> <p>(f) Within 90 days of the Deemed Date of Allotment, the New Substitution Agreement has been executed.</p> <p>(g) Within 7 days of the Deemed Date of Allotment the Issuer shall provide to the Debenture Trustee a copy of the updated register of charges and certificate of registration of charge issued by ROC in relation to the Security Interest created in relation to the Debentures.</p>
<p>Event of Default</p>	<p>(a) Non-payment of dues by any Obligor on the due date.</p> <p>(b) Any Security Document does not (once entered into) create, perfect or evidence the creation of, in favour of the Debenture Trustee for the benefit of the Secured Parties, Security which it is expressed to create or whose creation it evidenced, as the case may be, fully perfected with the ranking and priority it is expressed to have and within the timelines provided herein.</p> <p>(c) Any Security ceases to extend benefit to the Secured Parties.</p> <p>(d) The occurrence of any event or circumstance which is prejudicial to, imperils, or has the effect of depreciating the Security or the Security Interest in any manner whatsoever and such breach is not cured by the relevant Obligor within 30 (thirty) days of its occurrence.</p> <p>(e) Any of the Obligors default in the performance or observance of any obligation under any Security Documents.</p> <p>(f) The Issuer fails to comply with any terms and conditions of each or any Transaction Document (including Concession Agreement) to which it is party.</p> <p>(g) KNRCL fails to comply with or perform, as the case may be, its obligations under the O&M Support Undertaking.</p> <p>(h) PEL fails to comply or perform, as the case may be, its obligations under the O&M Back-up Support Undertaking.</p> <p>(i) Any Promoter fails to comply with any terms and conditions of the Promoter Support Undertaking.</p> <p>(j) A breach by any of the Obligors of any terms under the Transaction Documents, and such breach is not cured by the relevant Obligor within 5 (five) days of its occurrence.</p> <p>(k) A default or failure by any Project Participant to fulfil its obligations under any of the Project Documents or occurrence of an event of default (howsoever described) under any Project Documents, where such failure or default has or is likely to have a Material Adverse Effect.</p> <p>(l) If, pursuant to any appropriation/deduction made by NHAI from the Performance Security provided by the Issuer under the Concession Agreement, the Issuer fails to replenish, in case of partial appropriation by NHAI, or replace, in case of appropriation of the entire amount, the Performance Security in accordance with the terms of the Concession Agreement.</p> <p>(m) Any representation, warranty or statement made by an Obligor in any Finance Document to which it is a party, or any other document delivered by or on behalf of it under or in connection with any Finance Document, is or proves to have been incorrect or misleading in any material respect when made or deemed to be made unless such representation or statement is (i) capable of remedy, and (ii) is remedied within 5 days of the earlier of the following dates: (A) the date the Debenture Trustee gives notice of the representation being found to be incorrect or misleading to such Obligor, and (B) the date such Obligor becomes aware of the representation being incorrect or misleading, whichever is earlier.</p> <p>(n) An Obligor is unable to, or deemed by Applicable Law to be unable to, or has admitted in writing its inability to, pay its debts as and when the same are due.</p>

- (o) If it is certified by a chartered accountant appointed by the Debenture Trustee that the liabilities of any Obligor exceed such Obligor's assets.
- (p) Any Obligor commits any act of bankruptcy, insolvency, suspends payment to any of its creditors, or if any petition of bankruptcy, insolvency or winding up is filed by or against any Obligor which petition is not withdrawn, quashed, or stayed within 90 (ninety) days of being filed.
- (q) A moratorium is declared in respect of any indebtedness of any Obligor.
- (r) Any Obligor has been or is likely to be declared as a sick industry, potentially sick industry or a relief undertaking, or proceedings have been filed in relation to the same.
- (s) Any corporate action, legal proceedings or other procedure or step is taken by any Person in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness, insolvency, winding-up, dissolution or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of an Obligor other than a solvent liquidation or reorganisation of such Obligor;
 - (ii) a composition, compromise, assignment or arrangement with any creditor of an Obligor, including any corporate debt restructuring;
 - (iii) the appointment of a liquidator (other than in respect of a solvent liquidation of an Obligor), receiver, administrator or other similar officer in respect of an Obligor or any of its assets, unless such appointment has been stayed, quashed or dismissed within a period of 90 (ninety) days; or
 - (iv) enforcement of any Security over any assets of an Obligor or any analogous procedure or step in any jurisdiction.
- (t) An Obligor fails to comply with or pay any sum due from it under any final judgment or any final order made or given by a court or tribunal of competent jurisdiction.
- (u) Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of an Obligor.
- (v) The Government of India or any relevant Governmental Authority declares a general moratorium or "standstill" (or makes or passes any order or regulation having a similar effect) in respect of the payment or repayment of any Financial Indebtedness (whether in the nature of principal, interest or otherwise) (or any indebtedness which includes Financial Indebtedness) owed by Indian companies or other entities (and whether such declaration, order or regulation is of general application, applies to a class of persons which includes any Obligor alone).
- (w) It is or becomes unlawful for an Obligor or Project Participants to perform any of its obligations under any Transaction Document to which it is a Party.
- (x) Any Transaction Document, or any obligation of an Obligor or Project Participants under any Transaction Document, is not or ceases to be legal, valid, binding or enforceable.
- (y) Any Transaction Document ceases to be in full force and effect or is alleged by a party to it to be ineffective for any reason.
- (z) Any Obligor or Project Participant repudiates a Transaction Document to which it is a party or evidences an intention to repudiate any Transaction Document to which it is a party.
- (aa) Any Governmental Authority (whether de jure or de facto) nationalises, compulsorily acquires, expropriates or seizes all or any part of the business or assets of any Obligor.
- (bb) The Promoters cease to Control the Issuer.
- (cc) Any change in the shareholding pattern of the Issuer without the prior consent of the Debenture Trustee.
- (dd) The Majority Debenture Holders determine that a Material Adverse Effect or Material Adverse Change exists, has occurred or could be expected to occur.
- (ee) Any license or approval material for the Business (including any Clearances) is revoked, withdrawn, terminated or suspended.
- (ff) Any litigation, arbitration, investigative or administrative proceeding is current, pending or threatened to restrain an Obligor's entry into, the exercise of any rights of an Obligor under, or compliance by an Obligor with any of its obligations under, the Transaction Documents to which it is a party or which is reasonably and be expected to have a Material Adverse Effect is the same is not stayed or resolved within 30 (thirty) days from the date of its commencement.
- (gg) Cross default.
- (hh) Any Obligor suspends or ceases to carry on or dispose of (or threatens to suspend or cease to carry on or to dispose of) all or a material part of its business, or all or a material part of any division or undertaking in its business.
- (ii) The Issuer has Abandoned the Project or threatens to cease to carry on its Business.
- (jj) The Issuer fails to get the Debentures listed on the Stock Exchange within 20 (twenty) days from the Deemed Date of Allotment.
- (kk) The Debentures are delisted from the Stock Exchange during the tenure of the Debentures for any

	<p>reason.</p> <p>(ll) The credit rating of the Debentures is downgraded below BBB(SO) grade.</p> <p>(mm) Any material contract entered into by any Obligor being terminated, or, in the sole judgement of the Majority Debenture Holders, materially amended, such that the ability of such Obligor to fulfill its obligations under the Finance Documents or the Project Documents is, in the opinion of the Majority Debenture Holders, adversely affected.</p>
Consequence of Event of Default	<p>(a) All or any part of the Debt to be immediately declared to be (or on such date as the Debenture Trustee may specify) due and payable, whereupon it shall become so due and payable.</p> <p>(b) If the Issuer fails to pay the outstanding Debt in terms of (a) above, the Debenture Trustee shall have the following rights:</p> <ol style="list-style-type: none"> i. the Issuer may be required to mandatorily redeem the Debentures and pay the Early Redemption Amount. ii. cause the Issuer to replace the O&M Contractor under the O&M Contract. iii. takeover the affairs of the Issuer and have it replaced or substituted with another person in accordance with the Concession Agreement and the New Substitution Agreement; iv. enforce any Security towards repayment of the Debt; v. transfer or assign the receivables or the insurance policies in relation to the Secured Assets; vi. in terms of the Escrow Agreement, direct the Escrow Bank to act only on instructions of the Debenture Trustee (acting on Approved Instructions); vii. call on Promoters to fulfill their obligations under the Promoter Support Undertaking; viii. call on KNRCL to fulfill its obligations under the O&M Support Undertaking; ix. call on PEL to fulfill its obligations under the O&M Back-up Support Undertaking; x. appoint Nominee Directors on the Board; xi. appoint consultants and all costs, charges and expenses, including professional fees of the consultants appointed shall be payable by the Issuer; xii. take such other action expressly permitted under the Transaction Documents or permitted under Applicable Law; xiii. right to review the management set up or organization of the Issuer and to require the Issuer to restructure it as may be considered necessary by the Debenture Trustee; xiv. exercise such other rights as the Debenture Trustee may deem fit under Applicable Law to protect the interest of the Debenture Holders.
Provisions relating to cross default	<p>(a) Any Financial Indebtedness of the Issuer is not paid when due nor within any originally applicable grace period.</p> <p>(b) Any Financial Indebtedness of the Issuer is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default, a default or other similar condition or event (however described).</p> <p>(c) Any commitment for any Financial Indebtedness of the Issuer is cancelled or suspended by any of its creditors as a result of an event of default, a default or other similar condition or event (however described).</p> <p>(d) Any creditor of the Issuer becomes entitled to declare any Financial Indebtedness of the Borrower due and payable prior to its specified maturity as a result of an event of default, a default or other similar condition or event (however described).</p>
Covenants	<p>(a) The Issuer, shall and shall procure that each other Obligor shall, supply to, or inform the Debenture Trustee, as the case may be, <i>inter-alia</i> of the following:</p> <ol style="list-style-type: none"> i. certified true copies of the audited balance sheet and the profit and loss statement of each Obligor for every financial year by no later than 3 (three) Months from the end of such financial year; ii. certified true copies of the unaudited half yearly balance sheet (consisting of income statement, balance sheet, cash flow statement and accompanying notes) of each Obligor for by no later than 60 (sixty) days from the end of such bi-annual period; iii. an end use certificate from the statutory auditors of the Issuer; iv. promptly of any change in management or composition of the board of directors of any Obligor, which may amount to change in control as defined in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 or otherwise; v. a quarterly report certified by an independent practicing chartered accountant; vi. annual credit rating in respect of the Debentures; vii. certificate confirming compliance with the financial covenants; viii. any Security Interest being granted or established or becoming enforceable over any of its assets;

- ix. all documents dispatched by it to its shareholders (or any class of them) or its creditors;
- x. any material dispute between the Issuer and any Project Participant or between the Issuer and any of its shareholder or any Governmental Authority in relation to or affecting the Project or any Transaction Document;
- xi. any event of Force Majeure affecting, or which either the Issuer or any other Project Participant claims would affect, the performance by such Person of any obligation under any Transaction Document;
- xii. regular progress report on the Project on routine and major maintenance;
- xiii. any Surplus Project Cash on an annual basis;
- xiv. any event, circumstance or condition constituting, or which the Issuer either believes, has claimed or will claim to constitute a “Change in Law” under the Concession Agreement;
- xv. any proposal by any Governmental Authority to acquire compulsorily the Issuer, any of the Security, Project Assets or any part of the Issuer's Business or assets;
- xvi. any notice or intimation (a) given by the Issuer to NHAI informing NHAI in relation to the operations carried out at the Project; or (b) informing the NHAI of a default or a breach by the Issuer of the terms of the Concession Agreement;
- xvii. any notice by NHAI for inspection or review of operations of the Issuer, whether generally or in relation to any specific activity of the Issuer;
- xviii. all information/reports/notices etc being provided to NHAI by the Issuer pursuant to the Concession Agreement;
- xix. any delay by NHAI in releasing Annuity or any preconditions imposed by NHAI for such release, in each case alongwith any reasons provided by NHAI;
- xx. any deductions/ appropriations by NHAI from the Performance Security (as defined in the Concession Agreement) furnished by the Company in accordance with the Concession Agreement;
- xxi. the details of any proceedings, which are current, threatened or pending, which affect or may affect the Secured Assets;
- xxii. any changes in the shareholding pattern in the Issuer;
- xxiii. the occurrence of any event or the existence of any circumstances which constitutes or results in any representation, warranty, covenant or condition of any of the Transaction Documents being or becoming untrue or incorrect in any respect;
- (b) The Issuer shall promptly provide the Debenture Trustee with appropriate confirmations, acknowledgements, and/or affirmations, including, if required, direct agreements, from other Material Project Participants (other than NHAI) to enable the Debenture Trustee and its nominees, to enjoy the rights available under the New Substitution Agreement.
- (c) The Issuer shall submit to the Stock Exchange for dissemination, along with the half yearly financial results, a half-yearly communication, counter signed by the Debenture Trustee, containing, inter-alia, the following information:
 - i. credit rating of the Debentures;
 - ii. Debt-equity ratio;
 - iii. previous due date for the payment of interest/principal and whether the same has been paid or not; and
 - iv. next due date for the payment of Interest and principal.
- (d) The Issuer shall notify the Debenture Trustee of any Event of Default or Potential Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.
- (e) The Issuer shall, and procure that each other Obligor shall, promptly obtain, renew, maintain or comply in all respects with (and supply certified copies to the Debenture Trustee of) any Governmental Approvals required for the execution, delivery, performance, legal validity, admissibility and enforcement of the Transaction Documents.
- (f) The Issuer shall obtain and maintain the ‘SCORES id’ and password in accordance with the Applicable Laws including any regulations made by the Stock Exchange or SEBI.
- (g) The Issuer shall maintain and obtain all the required Insurance Contracts to the satisfaction of the Debenture Trustee.
- (h) Without prior approval of the NHAI and the Senior Lenders, the Issuer shall not make any compromise, adjustment or settlement in connection with any loss or any other event entitling the Issuer to claim under any Insurance Contract and shall not do, or omit to do or permit to be done or not done any other thing that might prejudice any right to claim or recover under any such Insurance Contract.
- (i) The Issuer shall not, and shall procure that no Obligor shall, create any Security Interest on any

Secured Assets (including, without limitations, on the receivables) other than any Permitted Security Interest.

- (j) The Issuer shall also, at all times during the tenor of the Debentures, maintain a minimum of 100% (Hundred percent) asset cover in respect of the outstanding Debentures as required under the Debt Listing Regulations.
- (k) The Issuer shall not make any Restricted Payments till the time the Debentures are redeemed, unless prior consent of the Debenture Trustee (acting on the Approved Instructions) is obtained.
- (l) The Issuer shall create a debenture redemption reserve, if required, in accordance with the Act and in accordance with any guidelines issued by SEBI, and if during the currency of these presents any guidelines are formulated (for modified or revised) by any Governmental Authority having authority under Applicable Law in respect of creation of the debenture redemption reserve (“Debenture Redemption Reserve”). The Issuer shall ensure that the Debenture Redemption Reserve shall always be equivalent to or greater than the requirements specified in Applicable Law (including Section 117C of the Act and the circular 04/ 2013 (No. 11/02/2012-CL-V) of the Ministry of Corporate Affairs (“MCA Circular”)) (“Annual Redemption Reserve Amount”). The Issuer shall submit to the Debenture Trustee a certificate duly certified by the statutory auditor of the Issuer upon creation of the Debenture Redemption Reserve.
- (m) The Issuer shall open and maintain the DSRA with the Escrow Bank at all times till the Debt is discharged shall operate the DSRA in compliance with the Transaction Documents.
- (n) The Issuer shall fund the DSRA with the DSRA Amount within 7 (seven) Business Days of the Subscription Amount pay-in date, and thereafter maintain the DSRA Amount therein to the satisfaction of the Debenture Trustee.
- (o) Subject to the terms of the Escrow Agreement and Memorandum of Operating Procedure, so long as any Debenture is outstanding, no withdrawal or transfer from the DSRA may be made by the Issuer without the prior written consent of the Debenture Trustee (acting on the Approved Instructions). The restriction on the withdrawal or transfer of sums standing to the credit of the DSRA shall not affect the obligations of the Issuer to make any payments due to be made on a Redemption Date.
- (p) So long as any Debenture is outstanding, the Issuer shall not create any Security Interest on, save and except for any Permitted Security Interest, or close down or suspend, the DSRA without the prior written consent of the Debenture Trustee (acting on the Approved Instructions).
- (q) The Issuer shall ensure that amounts lying to the credit of the DSRA are at least equal to the DSRA Amount till the Final Redemption Date.
- (r) If on any date the amount lying to the credit of the DSRA is less than Rs. 35,00,00,000 (Rupees Thirty Five Crores) (“DSRA Shortfall Date”), the Issuer shall ensure that within 15 (fifteen) Business Days of such DSRA Shortfall Date, such amount of money shall be deposited into the DSRA so that the amount lying therein is at least equal to or greater than the DSRA Amount.
- (s) The Issuer will create and maintain the Major Maintenance Reserve Account on or before the first Deemed Date of Allotment.
- (t) The Major Maintenance Reserve Account shall be funded through the cash flows from the Project available after meeting the obligations due under the Transaction Documents.
- (u) The Major Maintenance Reserve will be utilised in accordance with the Escrow Agreement and the Memorandum of Operating Procedures.
- (v) The Issuer shall operate and maintain (as the case may be) the DSRA and DSRA Amount, the Major Maintenance Reserve and Major Maintenance Reserve Account, and the Debenture Redemption Reserve and Annual Redemption Reserve Amount in accordance with the Transaction Documents and to the satisfaction of the Debenture Trustee.
- (w) The Issuer shall ensure that the Debentures are rated by an accredited credit rating agency to the satisfaction of the Debenture Trustee on an annual basis or as may be required by the Debenture Trustee. The credit rating awarded by the relevant credit rating agency shall be forthwith communicated to the Debenture Trustee by the Issuer and/or by the credit rating agency.
- (x) The Issuer shall obtain and comply with all required statutory and non-statutory Clearances from the Project Authority and/or the Governmental Authority in relation to the Project, as required by the Debenture Trustee (acting on Approved Instructions).
- (y) The Issuer shall upon receipt of knowledge of a Project Participant commencing a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary proceeding under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee or is declared or likely to be declared as a sick industry replace such Project Participant or make such other arrangements satisfactory to the Debenture Trustee (acting on Approved Instructions) within 15 (fifteen) days.
- (z) Upon request of the Debenture Trustee (acting on Approved Instructions), the Issuer shall replace

or consent to the replacement of the O&M Contractor in accordance with the O&M Contract if the O&M Contractor has failed to perform its obligations under the O&M Contract and the Issuer is then entitled to terminate such O&M Contract.

- (aa) The Issuer will make all necessary amendments to the Project Documents as required by the Debenture Trustee. Further, on the occurrence of an Event of Default, the Issuer will make all necessary amendments to the Project Documents as required by the Debenture Trustee.
- (bb) The Issuer shall not suspend or terminate; or take any action which would entitle the counterparties to the Project Documents to suspend or terminate the Project Documents, without the prior written approval of the Debenture Trustee if such suspension or termination is likely to have a Material Adverse Effect.
- (cc) The Issuer shall ensure, and procure that the Project receivables shall be deposited in the Escrow Account in accordance with the Transaction Documents.
- (dd) The Issuer agrees to assist the Debenture Trustee (to the satisfaction of the Debenture Trustee) in appointing a new O&M Contractor upon the occurrence and continuance of an O&M Contractor Breach Event.
- (ee) The Issuer will not enter into any partnership, profit-sharing or royalty agreement or other similar arrangement whereby the Issuer's income or profits are, or might be, shared with any other person, or enter into any management contract or similar arrangement whereby its Business or operations are managed by any other persons.
- (ff) The Issuer shall execute tripartite agreements in accordance with the RBI IDF Directions, as and when required by the Debenture Trustee.
- (gg) The Issuer will not enter into or permit or consent to the assignment of any of its Projects or obligations or any Projects or obligations of any party (other than the Issuer under any Transaction Document except to the extent contemplated under the Transaction Documents.
- (hh) All Financial Indebtedness incurred by the Issuer from its shareholders after the date of the Debenture Trust Deed shall be subordinated to the Debt and shall be non (zero) interest bearing indebtedness. It is clarified all existing Promoter loans shall be subordinated to the obligations of the Issuer under the Debenture Trust Deed.
- (ii) The Issuer shall issue an undertaking in favour of NHAI that the debt refinancing proposal will not have the effect of increasing any financial liability or obligation of NHAI and it will not jeopardise the interest of NHAI in any manner. The Issuer agrees and acknowledges that such an undertaking shall form part of the Finance Documents in accordance with the terms and conditions of the Concession Agreement.
- (jj) The Issuer shall ensure that the Existing Substitution Agreement is terminated and the New Substitution Agreement is executed in a form and manner satisfactory to the Debenture Trustee (acting on Approved Instructions) within 90 (ninety) days from the Deemed Date of Allotment.
- (kk) The Issuer agrees to procure the O&M Support Undertaking from KNRCL in a form and manner satisfactory to the Debenture Trustee (acting on Approved Instructions).
- (ll) The Issuer agrees to procure the O&M Back-up Support Undertaking from PEL in a form and manner satisfactory to the Debenture Trustee (acting on Approved Instructions).
- (mm) The Issuer agrees to procure an undertaking from the Promoters in a form and manner satisfactory to the Debenture Trustee (acting on Approved Instructions).
- (nn) Without the prior written approval of the Debenture Trustee (acting on Approved Instructions), the Issuer shall not:
 - i. sell or dispose off, or provide any consent for the sale or disposal of, any assets of the Issuer or any Secured Assets;
 - ii. incur any Financial Indebtedness other than the Permitted Indebtedness;
 - iii. enter into any amalgamation, demerger, merger or corporate reconstruction;
 - iv. make any further issuances of shares to any person in the share capital of the Issuer or create any new classes of share capital in the Issuer;
 - v. make any amendments to its memorandum and articles of association;
 - vi. use all or any part of amounts raised by the issue of Debentures for investment(s) into capital market oriented mutual fund schemes including, without limitation, equity / real estate mutual funds;
 - vii. agree, authorise or otherwise consent to any settlement, resolution or compromise of any litigation, arbitration or other dispute with any Person without the prior written authorisation of the Debenture Trustee if such proposed settlement, resolution or compromise could reasonably be expected to have a Material Adverse Effect;
 - viii. make any modification or repairs to, or replacement of, any Project equipment or equipment installed on the Project which would or might materially alter the structure, type or materially reduce its value;

	<ul style="list-style-type: none"> ix. wind up, liquidation or dissolve its affairs; x. effect any change on the capital structure; xi. invest by way of share capital in or lend or advance funds to or place deposits in any other concern; xii. enter into any guarantee obligations on behalf of any other company. xiii. make or accept any amendments/ modifications to or initiate termination proceedings, grant any waiver, or accept abrogation of any of its rights under the Project Documents; xiv. change the constitution of the Issuer; xv. change in management of the Issuer; xvi. issue any debentures or any other securities, raise any loans, accept any deposits from public, make any change in the capital structure or shareholding, make investments in, grants loans to any person, prepay any existing loans (except as specifically permitted), firm or company except in the ordinary course of its business and as permitted under the Finance Documents.
<p>Powers of the Debenture Trustee</p>	<ul style="list-style-type: none"> (a) The Debenture Trustee shall invest (i) the monies and (ii) any unclaimed amounts after provision for payment and satisfaction of the Debt in accordance with the Debenture Trust Deed, in the name of the Debenture Trustee provided all such investments should qualify as Authorised Investments. (b) The Debenture Trustee shall stand possessed of the said investments upon the trust herein declared to hold the investments and income thereof upon the trust and purposes hereinbefore expressed concerning the monies to arise from any sale, calling in, collection and conversion of the Trust Property or any part thereof. (c) The Debenture Trustee may, upon receipt of Approved Instructions or pursuant to a Majority Resolution, raise or borrow moneys on the Security of the Trust Property or any part thereof ranking either in priority or <i>pari passu</i>: <ul style="list-style-type: none"> i. for the purpose of making any payment under the Debenture Trust Deed; ii. in relation to the exercise of any powers, duties or obligations of the Debenture Trustee or any receiver; iii. for defraying any costs, charges and expenses which shall be incurred by the Debenture Trustee under or by virtue of the Debenture Trust Deed; iv. for the purpose of paying off or discharging any Encumbrance for the time being on any Secured Asset; or v. for any other purpose permitted by the Majority Debenture Holders. (d) The Debenture Trustee may raise and borrow such moneys as aforesaid at such rate or rates of interest and generally on such terms and conditions as the Debenture Trustee shall think fit (but acting on Approved Instructions) and no person lending any such money shall be concerned to inquire as to the propriety or purpose of the exercise of the said power or to see to the application of any monies so raised or borrowed. (e) The Debenture Trustee being a company or a corporation or any public financial institution may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by an officer or officers for the time being of the Debenture Trustee. (f) The Debenture Trustee may also, whenever it thinks it expedient, delegate by power of attorney or otherwise, to any such officer all or any of the trusts, powers, authorities and discretions vested in the Debenture Trustee. (g) The Debenture Trustee shall be liable for any gross negligence, wilful misconduct, fraud, illegal act, breach of trust or bad faith of the officer to whom the Debenture Trustee has delegated its powers. (h) The Debenture Trustee may, at its own expense, in carrying out the trust business employ and pay any Person to transact or concur in transacting any business and do or concur in doing all acts required to be done by the Debenture Trustee including the receipt and payment of moneys. (i) The Debenture Trustee shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by it in connection with the trusts hereof and also its reasonable charges, in addition to the expenses, incurred by them in connection with matters arising out of or in connection with these presents. (j) The Debenture Holders and the Debenture Trustee shall have a right to appoint a nominee director as per the Debenture Trustee Regulations on the board of directors of the Issuer (hereinafter referred to as the “Nominee Director”) upon the occurrence of an Event of Default. (k) The Debenture Trustee shall have the right to appoint any independent auditor/ consultants /agents (“Appointment”) for the review of the Project as may be deemed fit by the Majority Debenture Holders during the currency of the Debentures. Further, the Issuer agrees that any costs and expenses in relation to such Appointment shall be unconditionally borne by the Issuer. (l) The Debenture Trustee (acting on behalf of the Debenture Holders) shall be entitled to sign or

	appoint representatives/ agents for signing the New Substitution Agreement between the Issuer, the Debenture Trustee or its representative/ agent and the NHAI.
Debenture Trustee	IDBI Trusteeship Services Limited
Final Redemption Date	The date on which all the Debentures have been redeemed in full and the outstanding Debt has been irrevocably and unconditionally paid and discharged in full to the satisfaction of the Debenture Trustee.
Early Redemption Date	(a) a date on which a Mandatory Redemption Event occurs; or (b) any date other than a Scheduled Redemption Date or Final Redemption Date on which each or any of the Debentures are required to be redeemed.
Early Redemption Amount	The amount to be paid by the Issuer to the Debenture Holders on account of redemption of the Debentures on an Early Redemption Date including (a) the Redemption Amount, (b) the accrued but unpaid Interest, (c) the Early Redemption Costs, (d) Liquidated Damages, Default Interest and any other amounts due thereon, and (e) other costs, charges and expenses incurred by the Debenture Holders or the Debenture Trustee under or in connection with the Transaction Documents
Early Redemption Costs	The costs and expenses (including any break costs) as anticipated by the Debenture Holders (as applicable) to be payable by the Issuer in relation to the redemption of any Debentures on an Early Redemption Date, at the sole discretion of such Debenture Holder(s), and which amount shall be intimated by the Debenture Trustee (acting on the written instructions of the Debenture Trustee (on behalf of each such Debenture Holder)) to the Issuer at the time of such early redemption.
Representations and Warranties	<p>(a) Each Obligor (which is a corporate entity) is a company with limited liability, duly incorporated and validly existing under the law of its jurisdiction of incorporation.</p> <p>(b) Each Obligor has the power to own its assets and carry on its business as it is being conducted.</p> <p>(c) The entry into and performance by each Obligor of, and the transactions contemplated by, each Transaction Document to which it is a party, do not and will not conflict with (a) any Applicable Law; (b) its constitutional documents, or (c) any agreement or instrument binding on it or any of its assets.</p> <p>(d) Each Obligor has due power and authority and all necessary authorisations (including corporate approvals) to enter into and perform the Transaction Documents to which it is a party.</p> <p>(e) Other than the consents from NHAI and Existing Rupee Lenders and any consents required under Applicable Law (including as contemplated under section 281 of the Income Tax Act, 1961), which have already been provided and are valid and subsisting, no consents or no dues certificate is required to be obtained from any Person from any Person for its entry into, performance and delivery of the Transaction Documents and any material contracts including any borrowing pursuant to the Debentures or creating and perfecting Security for the same in terms of the Transaction Documents.</p> <p>(f) Each Obligor has complied with all Applicable Laws (including all environmental laws) in the conduct of its business, including all environmental laws to which it may be subject.</p> <p>(g) The Issue is in compliance with Applicable Law including all provisions of the Act, the Debenture Trustee Regulations and the Debt Listing Regulations, the Listing Agreement entered into with the Stock Exchange and the Information Memorandum.</p> <p>(h) The Issuer does not carry out or conduct any business and operations other than the Business.</p> <p>(i) No consent is required from any person or any Governmental Authority for the creation of the Security by any Obligor under any of the Security Documents to which it is a party.</p> <p>(j) Except for the Final Listing Approval, no consent is required from any person or any Governmental Authority for the issue of Debentures.</p> <p>(k) It is not necessary that the Transaction Documents be filed, recorded or enrolled with any Governmental Authority or that any stamp, registration or similar tax be paid on or in relation to the Transaction Documents or the transactions contemplated by the Transaction Documents except for the payment of stamp duty on any Transaction Documents, and except for the filing of any Transaction Documents with the Stock Exchange, the SEBI, the Registrar of Companies, sub Registrar of sub- Assurances or the Depositories.</p> <p>(l) No Event of Default or Potential Event of Default has occurred or is continuing or might reasonably be expected to result from the entering into or performance by the Obligors of any Transaction Document to which it is a party.</p> <p>(m) No other event or circumstance is outstanding which constitutes an Event of Default or potential Event of Default under any other agreement or instrument (including each of the Project Documents) which is binding on such Obligor or to which its assets are subject.</p> <p>(n) No default is existing or has been committed by any party to the Project Documents.</p> <p>(o) Any information provided by or on behalf of any Obligor in connection with the Issue or any Transaction Document was true and accurate as at the date it was provided or as at the date (if any) at which it is stated and no events have occurred which render a Transaction Document void or</p>

- voidable, or repudiated or frustrated, for any reason whatsoever, including without limitation, by reason of default, fraud or misrepresentation.
- (p) Any financial projections provided by or on behalf of any Obligor in connection with the Issue or any Transaction Document were prepared on the basis of recent historical information and on the basis of reasonable assumptions.
 - (q) The Issuer's audited most recent financial statements delivered to the Debenture Trustee (i) have been prepared in accordance with applicable Indian GAAP, consistently applied; and (ii) give a true and fair view of its financial condition (consolidated, if applicable) as at the date to which they were drawn up, except, in each case, as disclosed to the contrary in those financial statements.
 - (r) No litigation, arbitration, investigative or administrative proceedings of or before any court, arbitral body or agency has been started or threatened or is taking place against any Obligor or its assets or revenues.
 - (s) Each Obligor has good and marketable title to or valid leases and licences of or is otherwise entitled to use, all material assets necessary or desirable for it to carry on its business as it is being or is proposed to be conducted.
 - (t) No assets of any Obligor are entitled to immunity from suit, execution, attachment or other legal process in India.
 - (u) Each Obligor is able to, and has not admitted its inability to pay its debts as they mature and has not suspended making payment on any of its debts.
 - (v) The value of the assets of each Obligor is more than its liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.
 - (w) No moratorium has been, or may, in the reasonably foreseeable future be, declared in respect of any indebtedness of any Obligor.
 - (x) No receiver has been appointed, or may, in the reasonably foreseeable future be appointed in relation to each or any of the Obligors.
 - (y) Each Obligor is the sole absolute legal and beneficial owner of its respective interest in the Secured Assets.
 - (z) Save and except the Permitted Security Interest, none of the Secured Assets are subject to any Security Interest.
 - (aa) Save and except the Permitted Security Interest, no Obligor has executed any deed or entered into any agreement, whether jointly or severally, creating or agreeing to create any Security Interest on any of the Secured Assets.
 - (bb) No power of attorney to deal with the Mortgaged Property has been granted by the Issuer/ previous land owners in favour of any third party.
 - (cc) All signatures, seals and dates, and of any stamp duty marking in the records submitted to by any Obligor in relation to the issue of Debentures are genuine and all signatories of each Obligor purporting to sign in a certain capacity do in fact and in law possess such capacity.
 - (dd) The DSRA has been duly opened with the Escrow Bank and is being and shall be operated as per the terms stipulated in the Escrow Agreement.
 - (ee) The DSRA has been duly opened with the Escrow Bank and is being and shall be operated as per the terms stipulated in the Escrow Agreement.
 - (ff) The Pledgors are the sole legal and beneficial owners of 100% (Hundred percent) of the issued and fully paid up equity share capital of the Issuer (on a fully diluted basis as well as on the basis of fully paid up equity share capital).
 - (gg) The Promoters control the management of the Issuer.
 - (hh) The Promoters collectively are the single largest shareholder group of the Issuer.
 - (ii) The authorized capital of the Issuer consists of 30,000,000 equity shares of par value Rs. 10 per share and the issued and subscribed capital of the Issuer consists of 23,823,804 equity shares of par value Rs. 10 per share. All of the equity share capital is duly and validly issued and fully paid.
 - (jj) All Insurance Contracts are in full force and effect and have been maintained (including timely payment of premia and other charges) in compliance with the terms and conditions of the Transaction Documents.
 - (kk) The Debenture Trustee has been provided a true, complete and correct certified copy of each of the executed Project Documents, and any other contracts and/or orders which are in effect or required to be in effect as of the date this representation is made or repeated (including all exhibits, schedules, letter agreements and disclosure letters referred to therein or delivered pursuant thereto, if any).
 - (ll) There exists no basis for the suspension, revocation or termination of any Project Document.
 - (mm) The services to be performed, the materials to be supplied and the easements, licenses and other rights granted or to be granted to the Issuer pursuant to the terms of the Project Documents and other contracts and/or orders for the construction, ownership and development of the Project, provide or will provide the Issuer with all rights and property interests required to enable the Issuer

	<p>to obtain all services, materials or rights (including access) required for the design, construction, start-up, operation and maintenance of the Project, including the Issuer's full and prompt performance of its obligations, and full and timely satisfaction of all conditions precedent to the performance by others of their obligations, under such contracts and/or orders, other than those services, materials or rights that reasonably can be expected to be obtained in the ordinary course of business without material additional expenses or delay.</p> <p>(nn)As of the date of the Debenture Trust Deed, the Project has come within the category of “infrastructure” as per the harmonised list dated March 01, 2012 issued by the Cabinet Committee on Infrastructure and adopted by various Governmental Authorities.</p> <p>(oo)The Concession Agreement is in full force and effect and no event of default (on either party) has taken place thereunder. The Issuer is in compliance of its obligations under the Concession Agreement and is not in breach of any obligations set out in the Concession Agreement.</p> <p>(pp)The Concession Agreement is in full force and effect and no event of default (on either party) has taken place thereunder. The Issuer is in compliance of its obligations under the Concession Agreement and is not in breach of any obligations set out in the Concession Agreement.</p> <p>(qq)In terms of the Concession Agreement, the Issuer is entitled to payments from NHAI for a period of seventeen and a half years beginning from August 2010, each payment being for an amount of Rs.44,37,00,000/- (Rupees Forty Four Crore and Thirty Seven Lakhs).</p> <p>(rr) The O&M Contract has been entered into between the Issuer and KNR Construction Limited. The same is in full force and effect and no default (on either party thereto) has taken place thereunder</p> <p>(ss) The Issuer, its directors, promoters, guarantors or associate concerns do not figure in any list of wilful defaulters circulated by RBI or the caution list of the Export Credit Guarantee Corporation or Specific Approval list or COFEPOSA defaulters list or the Lenders’ defaulters list, and that no director of the Issuer is disqualified under Section 274 of the Companies Act.</p> <p>(tt) All acts, conditions and things required to be done, fulfilled or performed, and all Clearances that are necessary or desirable for (i) the due execution, entry, delivery of, performance by it of its obligations, and for the exercise of its rights under the Transaction Documents; (ii) ensuring the legality, validity, binding effect or enforceability and admissibility in evidence of the Transaction Documents in all relevant jurisdictions; (iii) creation, effectiveness and enforcement of all Security Interest; and (iv) the ownership, construction, development and operation of the Project and ancillary facilities and utilities in accordance with the Project Completion Schedule have been duly done, fulfilled, effected, obtained and performed and are in full force and effect.</p> <p>(uu)The Issuer has not engaged in, nor does it envisage engaging in, any business or trade, other than those contemplated by the Project Documents.</p>
Depository	NSDL and CDSL
Governing law and Jurisdiction	Laws of India. Courts of Tamil Nadu will have non-exclusive jurisdiction.

ANNEXURE 2:

CREDIT RATING LETTER FROM CREDIT ANALYSIS AND RESEARCH LIMITED



Celebrating Two Decades of Analytical Excellence

Shri Ashwin Ramanlal Parmar
Director
Patel KNR Heavy Infrastructures Limited
6-3-635, Akash Ganga,
III Floor, Khairatabad,
Hyderabad – 500 004

August 28, 2013

Confidential

Dear Sir,

Credit rating for proposed Non-Convertible Debenture issue aggregating to Rs.400 crore

Please refer to our letter dated June 19, 2013 and your request for revalidation of the rating assigned to the long-term non-convertible debenture (NCD) of Patel KNR Heavy Infrastructures Limited aggregating to Rs. 400 crore.

1. It has been decided to reaffirm the rating of ‘**In-Principle CARE AAA (SO) [Triple A (Structured Obligation)]**’ to the NCD of the company, aggregating to Rs. 400 crore.
2. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. Our rating symbols for various medium and long term instruments (including NCDs) are annexed.
3. 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 our initial communication of rating to you (that is June 17, 2013).
4. The above rating is an in-principle rating. The rating will be confirmed on receipt of the duly executed documents to the satisfaction of CARE.

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CREDIT ANALYSIS & RESEARCH LTD.

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 400 022.



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5. **Amongst other factors considered, the rating is based on the Credit Enhancement Measures (CEMs) and the structured payment mechanism (SPM) for servicing the NCDs. The rating is subject to conditions listed in Annexure A.**
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. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
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. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.

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CREDIT ANALYSIS & RESEARCH LTD.

A handwritten signature in black ink, appearing to be 'S.S.' or similar initials.

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 400 022.

Tel: 022 4754 2457, Fax: 022 4754 2457




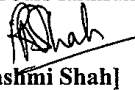
Celebrating Two Decades of Analytical Excellence

12. CARE ratings are **not** recommendations to buy, sell or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,


[Rahul Shenoj]
Analyst

Yours faithfully,

[Rashmi Shah]
Asst. General Manager

Encl : As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or 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 entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

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Annexure

A. Rating Symbols and Definitions for Long /Medium Term Debt Instruments

Symbols	Rating Definition
CARE AAA(SO)	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
CARE AA(SO)	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
CARE A(SO)	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
CARE BBB(SO)	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.
CARE BB(SO)	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations.
CARE B(SO)	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations.
CARE C(SO)	Instruments with this rating are considered to have very high likelihood of default regarding timely payment of financial obligations.
CARE D(SO)	Instruments with this rating are in default or are expected to be in default soon.

Modifiers {"+" (plus) / "-" (minus)} can be used with the rating symbols for the categories CARE AA to CARE C. The modifiers reflect the comparative standing within the category.

RS

ANNEXURE 3: CONSENT LETTER FROM DEBENTURE TRUSTEE

IDBI Trusteeship Services Ltd.



No.1011/ITSL/OPR/CL/13-14/DEB/207

June 13, 2013

To,
Mr. Ganesh Kamath
Patel KNR Heavy Infrastructures Limited
Patel Engineering Compound, Patel Estate Road, Jogeshwari (West), Mumbai – 400 102

Regd. Office :
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai - 400 001.

Dear Sir,

Consent to act as Debenture Trustee for - Listed, Rated, Secured, Redeemable, Non-convertible Debentures aggregating to INR 405 Crores

This is with reference to the discussion we had regarding appointment of IDBI Trusteeship Services Limited as Debenture Trustee for the proposed issue of Listed, Rated, Secured, Redeemable, Non-convertible Debentures aggregating to INR 405 Crores. In this connection we confirm our acceptance of the assignment.

We are agreeable for inclusion of our name as trustee in the Disclosure Document/listing application/any other document to be filed with Stock Exchange(s) subject to the following conditions:

- 1) The Company shall agree and undertake to create the securities over such of its immovable and moveable properties and on such terms and conditions as agreed by the Debenture holders and disclose in the Information Memorandum or Disclosure Document and execute, the Debenture/Debenture Trust Deed and other necessary security documents for each series of Debentures as approved by the Debenture Trustee, within a period as agreed in the Information Memorandum or Disclosure Document.
- 2) The Company shall agree & undertake to pay to the Debenture Trustees so long as they hold the office of the Debenture Trustee, remuneration as mutually agreed for their services as Debenture Trustee in addition to all legal, traveling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other Documents affecting the Security till the monies in respect of the Debentures have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been complied with.
- 3) The Company shall agree & undertake to comply with the provisions of SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI Circular No. SEBI/IMD/DOF-1/Debenture/2009/11/05 dated 11/05/2009 on Simplified Listing Agreement for Debt Securities read with the SEBI Circular No. SEBI/IMD/DOF-1/DEBENTURE/Cir-5/2009 dated the 26th November, 2009, the Companies Act, 1956 as amended from time to time and other applicable provisions and agree to furnish to Trustees such information in terms the same on regular basis.
- 4) Any payment in respect of Debentures required to be made by the Debenture Trustee to a Debenture Holder (who is a FII Entity) at the time of enforcement would, if required by applicable law, be subject to the prior approval of RBI for such remittance through an Authorised Dealer. The Company/Investor shall obtain all such approvals, if required, to ensure prompt and timely payments to the said Debenture Holder. Such remittance shall not exceed total investment (and interest provided for herein) made by the Debenture Holder (who is a FII)

Looking forward to a fruitful association with you and assuring you of our best services at all times.

Yours faithfully,
For IDBI Trusteeship Services Ltd

(Authorised Signatory)

We acknowledge the above terms
Patel KNR Heavy Infrastructures Limited

(Authorised Signatory)

ANNEXURE 4: APPLICATION FORM

Application No: ____

Date: _____

Patel KNR Heavy Infrastructures Limited

Registered Office: KNR House, 4th Floor, Plot No. 114, Phase – I, Kavuri Hills, Hyderabad – 500033

Dear Sir

Having read and understood the contents of the Information Memorandum dated September 2, 2013, we apply for allotment of Series A/ Series B/ Series C/ Series D/ Series E/ Series F Non-Convertible Debentures (“NCDs”) to us. The amount payable on application as shown below is remitted herewith. On allotment, please place our name(s) on the Register of Debenture Holder(s). We bind ourselves to the terms and conditions as contained in the Information Memorandum.

(Please read carefully the instructions on the next page before filling this form)

Series A Debentures

No. of Debentures Applied for	No. in Figures	No. in Words
Amount (Rs) in figures:		
Amount (Rs) in words:		
Cheque/ Demand Draft/ RTGS Details	Date	Drawn on Bank

Series B Debentures

No. of Debentures Applied for	No. in Figures	No. in Words
Amount (Rs) in figures:		
Amount (Rs) in words:		
Cheque/ Demand Draft/ RTGS Details	Date	Drawn on Bank

Series C Debentures

No. of Debentures Applied for	No. in Figures	No. in Words
Amount (Rs) in figures:		
Amount (Rs) in words:		
Cheque/ Demand Draft/ RTGS Details	Date	Drawn on Bank

Series D Debentures

No. of Debentures Applied for	No. in Figures	No. in Words
Amount (Rs) in figures:		
Amount (Rs) in words:		
Cheque/ Demand Draft/ RTGS Details	Date	Drawn on Bank

Series E Debentures

No. of Debentures Applied for	No. in Figures	No. in Words
Amount (Rs) in figures:		
Amount (Rs) in words:		
Cheque/ Demand Draft/ RTGS Details	Date	Drawn on Bank

Series F Debentures

No. of Debentures Applied for	No. in Figures	No. in Words
Amount (Rs) in figures:		
Amount (Rs) in words:		
Cheque/ Demand Draft/ RTGS Details	Date	Drawn on Bank

Applicant's Name & Address in full (please use capital letters)

		Pin Code:
Telephone:	Fax:	Email:

Status: Banking Company Insurance Company Others specify

Name of Authorized Signatory	Designation	Signatures

Details of Bank Account

Bank Name & Branch	
Nature of Account	
Account No.:	
IFSC/NEFT Code	

Depository Details

DP Name			
DP ID		Client ID	

(* We understand that in case of allotment of debentures to us/our Beneficiary Account as mentioned above would be credited to the extent of debentures allotted.

Taxpayers PAN / GIR No.	IT Circle/Ward/District	<input type="checkbox"/> Not Allotted	
Tax Deduction Status	<input type="checkbox"/> Fully Exempt	<input type="checkbox"/> Tax to be deducted at Source	<input type="checkbox"/> Yes <input type="checkbox"/> No

We hereby agree that we (i) are knowledgeable and experienced in financial and business matters, have expertise in assessing credit, market and all other relevant risk and are capable of evaluating, and have evaluated, independently the merits, risks and suitability of purchasing the Debentures; (ii) have not relied on any investigation that the Lead Arranger or any person acting on their behalf may have conducted with respect to the Debentures, (iii) have made our own investment decision regarding the Debentures based on our own knowledge (and information we have or which is publicly available) with respect to the Debentures or the Issuer (iv) have had access to such information as deemed necessary or appropriate in connection with purchase of the Debentures, (v) have not been barred from accessing the

capital markets by the Securities and Exchange Board of India or any other regulatory authority and (vi) understand that, by purchase or holding of the Debentures, we are assuming and are capable of bearing the risk of loss that may occur with respect to the Debentures, including the possibility that we may lose all or a substantial portion of our investment in the Debentures, and we will not look to the Lead Arranger for all or part of any such loss or losses that we may suffer.

(Tear here)

ACKNOWLEDGEMENT SLIP

Application No: _____ Date: _____

Received From _____

Rs. _____/- By Cheque/ Demand Draft/ RTGS No _____

drawn on _____ towards application for _____ Debentures.
(Cheques/ Demand Drafts are subject to realisation.)

For all further correspondence please contact: B. Maheepal Reddy, Tel: 040-40268761.

INSTRUCTIONS

1. You must complete application in full in BLOCK LETTERS IN ENGLISH.
2. Your Signatures should be made in English or in any of the Indian languages
3. Application forms duly completed in all respects, together with high value Cheques/ Pay Order/ Demand Drafts must be lodged at the Registered Office.
4. Payments through RTGS shall be made as follows:

Beneficiary	: Patel KNR Heavy Infrastructures Limited
Account name	: PKHIPL Annuity Payment Escrow Account.
IFSC Code	: ICIC0000382
Bank Account No.	: 038205000914
Bank	: ICICI BANK LTD
Branch	: BANJARA HILLS, HYDERABAD
5. The bank draft(s)/Demand Draft(s) of high value clearing zone should be drawn in favour of "Patel KNR Heavy Infrastructures Limited" and crossed "A/c payee" only. Cheque(s)/Demand draft(s) may be drawn on any scheduled bank and payable at Mumbai.
6. Outstation cheques, cash, money orders, postal orders and stock invest will NOT be accepted.
7. As a matter of precaution against possible fraudulent encashment of interest warrants due to loss/misplacement, you are requested to mention the full particulars of the bank account, as specified in the application form.
8. Loss of interest cheques/refund cheques should be intimated to the Issuer along with request for duplicate issue. The issue of duplicates in this regard shall be governed by applicable law and any other conditions as may be prescribed by the Issuer.
9. Interest warrants will then be made out in favour of the bank for credit to your account. In case the full particulars are not given, cheques will be issued in the name of the applicant at their own risk.
10. Mr. B Maheepal Reddy in the "Acknowledgement Slip" appearing below the Application Form will acknowledge receipt of applications. No separate receipt will be issued.
11. You should mention your Permanent Account Number or the GIR number allotted under Income- Tax Act, 1961 and the Income-Tax Circle/Ward/District. In case where neither the PAN nor GIR number has been allotted, the fact of non-allotment should be mentioned in the application form in the space provided.
12. The application would be accepted as per the terms of the issue outlined in the Information Memorandum.

ANNEXURE 5:

APPROVAL LETTER FROM NHAI



भारतीय राष्ट्रीय राजमार्ग प्राधिकरण
(राष्ट्रक परिवहन और राजमार्ग मंत्रालय)
National Highways Authority of India
(Ministry of Road Transport and Highways)
जी-5 एवं 6, सेक्टर-10, द्वारका, नई दिल्ली-110075
G-5 & 6, Sector-10, Dwarka, New Delhi-110075

दूरभाष / Phone : 91-11-25074100/25074200
फैक्स / Fax : 91-11-25093507 / 25093514

No. NHAI/Tech/NS-2/BOT/AP-7/2013

Dated: 13.05.2013

To

M/s Patel KNR Heavy Infrastructures Limited
PlotNo. 76, H.No. 8-2-293/82/A/76
Road No. 9A Jubilee Hills
Hyderabad-500033

Sub: Design, Construction, Development, Finance, Operation and Maintenance of Km 230.000 (Islam Nagar) to Km 278.000 (Kadthal) on NH-7 in the State of AP on BOT(Annuity) Basis- Package No. Refinancing –reg

Your request for NOC to raise refinancing through issue of non convertible debentures (NCDs) to the extent of Rs 405.00 Crore has been acceded to subject to the following conditions:-

- i) The Concessionaire shall obtain NOC from the existing and new lenders and a copy thereof shall be submitted to NHAI.
- ii) The proceeds of the NCDs shall flow to the Escrow Account and the Escrow Banker shall ensure that the proceeds are spent for retirement of Existing Outstanding Rupee Term Loan amounting to Rs 283.65 Crore and retirement of Unsecured Loans to the extent of Rs 121.35 Crore.
- iii) IDBI Trusteeship Services Limited, as intimated by the concessionaire, shall be the Lenders' Representative for signing Substitution Agreement. ICICI Bank, the current Escrow Agent would continue.
- iv) A letter/ undertaking from the Concessionaire that the debt refinancing proposal will not have the effect of increasing any financial liability or obligation on NHAI and it will not jeopardize the interest of NHAI in any manner. This undertaking shall form a part of the refinancing documents which may be executed with the approval of the NHAI as per the relevant clauses of the Concession Agreement.

(N.R.Dash)

Chief General Manager(Finance)

Copy to: CGM(Tech) & RO, Hyderabad.