

**FORM NO. PAS – 4  
PRIVATE PLACEMENT OFFER LETTER**

***[Pursuant to section 42 and rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014]***

**Issue of 1538 Non-Convertible Debentures of issue price of Rs. 1,000,000/- each (“NCDs” / “Debentures” / “Debenture Facility”), aggregating up to Rs. 1538 million on a private placement basis (the “Issue”)**

**1. GENERAL INFORMATION**

- a. **Name, address, website and other contact details of the company indicating both registered office and corporate office:**

<b>Name</b>	Bhilangana Hydro Power Limited		
<b>CIN</b>	U40102UR2006PLC032491		
<b>Website</b>	<a href="http://www.indiahydro.in">www.indiahydro.in</a>		
<b>Telephone</b>	0120-4621300		
<b>Contact Person</b>	Mr. Rajesh Kumar Jindal		
<b>Email</b>	rjindal@polyplex.com		
<b>Address</b>	<b>Registered Office</b>	<b>Corporate Office</b>	<b>Branch Office</b>
	Lohia Head Road, Khatima – 262308, District Udham Singh Nagar, Uttarakhand	B-37, 3 <sup>rd</sup> Floor, Sector-1, Noida-201301, Gautam Budh Nagar, Uttar Pradesh.	Plot no – 40, New Mandakini, Greater Kailash – IV, New Delhi – 110019

- b. **Date of incorporation of the company:**

January 31, 2006

- c. **Business carried on by the company and its subsidiaries with the details of branches or units, if any:**

Bhilangana Hydro Power Limited (“BHPL” / “Company”) was initially incorporated in the State of Delhi on January 31, 2006 under the provisions of the Companies Act, 1956. The Company received its Certificate for Commencement of Business on 13 February 2006. Registered Office of the Company was shifted from the State of Delhi to Uttaranchal (Now known as Uttarakhand) vide order of Company Law Board (CLB)

dated 9 August 2007 and Certificate of Registration of CLB order bearing the no. U40102UR2006PLC032491 was issued by Registrar of Companies, Uttar Pradesh and Uttaranchal on 8 October 2007.

BHPL has been incorporated to set up Bhilangana III, run of the river Small Hydro Power Project in the State of Uttarakhand. The Company is promoted by Mr. Sanjiv Saraf. Mr. Saraf, aged 59 years, an engineering graduate from IIT Kharagpur, with experience of over 33 years.

The Company is operating 24 MW Hydro Electric Power Plant on BOOT (Build Own Operate Transfer) basis with an initial concession period of 40 years. The project is located on Bhilangana River on Ghansyali - Ghuttu road and is at a distance of about 160 km from Rishikesh via New Tehri Township. The nearest railhead is Rishikesh, which is well connected to rest of the country by rail and road.

The project utilizes the waters of perennial Bhilangana River fed by glacial snow and monsoon rains for the purpose of harnessing hydro power. Bhilangana River is one of the major tributaries of the Bhagirathi River. Bhilangana River meets the Bhagirathi River near Old Tehri town just upstream of the Tehri dam. Bhagirathi River further meets the Alaknanda River at Devprayag and from there onwards it is known as Ganga River. Bhilangana is a perennial river and originates from the Gangotri group of glaciers, which are one of the largest glaciers in the Himalayas.

The company holds 5,44,000 3% Non-Cumulative Fully Convertible Preference Shares of Rs. 100 each aggregating to Rs. 54.40 million of M/s Abohar Power Generation Private Limited (**APGPL**). APGPL, having CIN U45202PB1993PTC025592 is a domestic company incorporated under the companies Act engaged in the business of generation of power through its 5 Mini Hydel Plants located in the State of Punjab. APGPL is subsidiary company in terms of section 2(87) of the Companies Act, 2013 as BHPL holds more than half of the share capital of the APGPL.

The company has a branch office situated at Plot no. 40, New Mandakini, Greater Kailash-IV, New Delhi - 110009.

d. **Brief particulars of the management of the Company:**

<b>Position</b>	<b>Incumbent</b>	<b>Age</b>	<b>Qualification</b>	<b>Experience</b>
Chief Executive Officer	Mr. Rajesh Kumar Jindal	50	CA	About 16 years of experience in hydro sector and associated with group over 21 years.

Chief Finance Officer	Mr. Amit Kumar Agarwal	39	CA	13 years of experience and associated with group from since last 11 years;
Senior General Manager – Project Development	Mr. Pramod Kumar Arora	60	B.Sc. Eng.	38 years of experience including 11 years in hydro power sector.
Jt. General Manager (Operation & Maintenance)	Mr. L.D. Pandey	46	B. Tech. (Hons), PGD in power plant Engg.	About 21 yrs of work exp out of which majorly 5 plus yrs with Jaypee Group at their design office, 4 yrs with Hindalco India Limited (Renusagar Power Division) in O&M. Associated with group since last 11 years
DGM, (HR & Admin)	Mr. V P Singh	50	M.S.W, LLB	About 28 years of exp. And associated with group since last 22 years.

e. **Names, addresses, DIN and occupations of the directors:**

Full Name	Present residential address	Designation	Date of Appointment	Occupation	DIN/PAN
Mr. Rajesh Kumar Jindal	G-28, Sector 27, Noida-201301, Uttar Pradesh, India	Whole-time Director	31 Jan 2006	Service	00003980
Mr. Pramod Kumar Arora	C-104 Kesar Garden Apartments Sector 48 Noida 201301 UP	Whole-time Director	01 Nov 2016	Service	01898896
Mr. Sanjiv Saraf	B-42, Maharani Bagh, New Delhi-110065, India	Director	31 Jan 2006	Industrialist	00003998
Mr. Pranay Kothari	J-202 Saket, New Delhi-110017, India	Director	31 Jan 2006	Service	00004003
Mr. Ashok Kumar Gurnani	4/24 Vikram Vihar, Lajpat Nagar IV, New Delhi-110024, India	Director	05 Mar 2009	Service	00003754

Mr. Praveen Kumar Sharma	211-D, Pocket-I, Mayur Vihar, Phase-I, New Delhi-110091, India	Director	14 Dec 2009	Business man	00620910
Mrs. Priyanka	174, Nilgiri Apartments Alaknanda, Kalkaji New Delhi 110019	Woman Director	30 May 2015	Service	00003965

f. **Management's perception of risk factors;**

(i) **Hydrology Risk:**

The basic raw material for the hydro power generation is availability of water. During the operation phase, hydrology risk is considered one of the major risks. The project would utilize the waters of perennial Bhilangana River fed by glacial snow and monsoon rains for the purpose of harnessing hydro power. Bhilangana River is one of the major tributaries of the Bhagirathi River. Bhilangana river meets the Bhagirathi river near Old Tehri town just upstream of the Tehri dam. Bhagirathi River further meets the Alaknanda River at Devprayag and the river further is called the Ganga River. Bhilangana is a perennial river and originates from the Gangotri group of glaciers, which are one of the largest glaciers in the Himalayas.

(ii) **Geographical Risk:**

Hydro Power project situated in the Himalayan Terrain faces geographical risk due to seismicity and flooding during the monsoon season.

(iii) **Marketing Risk:**

Hydro Power Projects faces the risk of non-availability of market at the remunerative tariff.

(iv) **Repayment is subject to the credit risk of the issuer:**

Potential investors should be aware that receipt of the principal amount (i.e. the redemption amount) and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Issuer. Potential investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

(v) **Changes in interest rates may affect the price of NCDs:**

All securities where a fixed rate of interest is offered, such as this Issue, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the pricing of the Debentures.

(vi) **Credit risk & rating downgrade risk:**

The Rating Agency has assigned the credit ratings to the Debentures. In the event of deterioration in the financial health of the Issuer, there is a possibility that the rating agency may downgrade the rating of the Debentures. In such cases, potential investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

(vii) **The market for debentures may be illiquid:**

The Debentures may be very illiquid and no market may develop in respect thereof. Even if there is a market for the Debentures, it is not likely to provide significant liquidity. Potential investors may have to hold the Debentures until redemption to realize any value.

(viii) **Tax considerations and legal considerations:**

GST considerations and legal considerations may apply to certain types of investors. Potential investors are urged to consult with their own financial, legal, tax and other advisors to determine any financial, legal, tax and other implications of this investment.

(ix) **Accounting considerations:**

Special accounting considerations may apply to certain types of taxpayers. Potential investors are urged to consult with their own accounting advisors to determine implications of this investment.

(x) **Material changes in regulations to which the issuer is subject could impair the issuer's ability to meet payment or other obligations:**

The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future

financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

(xi) **Legality of purchase:**

Potential investors of the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates or for compliance by that potential investor with any law, regulation or regulatory policy applicable to it.

(xii) **Security may be insufficient to redeem the debentures:**

In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of security documents, and other related documents. The Investors recovery in relation to the Debentures will be subject to (i) the market value of such secured property, (ii) finding willing buyers for the Security at a price sufficient to repay the potential investors amounts outstanding under the Debentures. The value realised from the enforcement of the Security may be insufficient to redeem the Debentures.

(xiii) **Economic Growth of India:**

A slowdown in the Indian economy / GDP may adversely affect Company's business, including its ability to enhance its asset portfolio and the quality of its assets, and its ability to implement certain measures could be adversely affected by a movement in interest rates, or various other factors affecting the growth of industrial, manufacturing and services sector or a general down trend in the economy. Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact the Company's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

g. **Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of –**

Sn.	Particulars	Amount in Rs
(i)	Statutory dues	Nil
(ii)	Debentures and interest thereon	Nil
(iii)	Deposits and interest thereon	Not Applicable
(iv)	Loan from any bank or financial institution and interest thereon	Nil

- h. **Names, designation, address and phone number, email ID of the nodal / compliance officer of the Company, if any, for the private placement offer process;**

<b>Name</b>	<b>Designation</b>	<b>Address</b>	<b>Phone number</b>	<b>Email ID</b>
Mr. Amit Kumar	CS	A306, Krishna Apra Sapphire, 1/1 Vaibhav Khand, Indirapuram, Ghaziabad – 201014	+91-120 4621300	<a href="mailto:amitkumar@polyplex.com">amitkumar@polyplex.com</a>

**2. PARTICULARS OF THE OFFER**

- a. **Date of passing of board resolution;**

February 07, 2018

- b. **Date of passing of resolution in the general meeting, authorizing the offer of securities;**

February 05, 2018

- c. **Kinds of securities offered (i.e. whether share or debenture) and class of security;**

<b>Type of Security</b>	<b>Nominal Value (Rs)</b>	<b>Total No. Of Securities</b>	<b>Application Money</b>
Non Convertible Debentures (NCD) :  10.50% Bhilangana Hydro Power Limited Secured unlisted Non Convertible Debentures through its 5 schemes i.e. Scheme 3A, 3B, 3C, 3D and 3E	1,000,000/-	1538	Application money may be paid in one or more tranches.

- d. **Price at which the security is being offered including the premium, if any, along with justification of the price;**

Type of Security	Nominal Value (Rs)	Premium (Rs)
NCD	1,000,000/-	Nil

e. **Name and address of the valuer who performed valuation of the security offered;**

Not Applicable

f. **Amount which the company intends to raise by way of securities;**

The total amount which the company intends to raise by way of offer of NCD is Rs. 1538 million consisting of 1538 debentures of Face Value of Rs 1,000,000/- (Rupees One Million Only) each.

g. **Terms of raising of securities: Duration, if applicable, Rate of dividend or rate of interest, mode of payment and repayment;**

The terms of NCD is stated as under:

Security Name	10.50% Bhilangana Hydro Power Limited Secured Unlisted Non Convertible Debentures to be issued in five series as per 2(c).
Issuer	Bhilangana Hydro Power Limited
Type of Instrument	Non Convertible Debentures
Nature of Instrument	Secured Unlisted
Mode of issue	Private placement
Eligible Investor	The following categories of investors, when specifically approached, are eligible to apply for this private placement of NCD: (i) Trust (ii) Portfolio Managers registered with SEBI (iii) Commercial Banks (iv) Regional Rural Banks (v) Financial Institutions (vi) Mutual Funds (vii) Any other investor eligible to invest in these Debentures
Issue Size	Rs. 1538 million comprising of 1538 NCD of Face Value of Rs 1,000,000/- each
Option to retain oversubscription amount	Not Applicable



Objects of the Issue	To fully prepay the existing outstanding non-convertible debentures plus applicable redemption premium and for general corporate purposes												
Details of the utilisation of the Proceeds	Proceeds from the Facility shall be utilized for: (i) Redemption of the existing outstanding non-convertible debentures amounting to Rs. 1516.7 million plus applicable redemption premium (ii) General corporate purposes.												
Coupon Rate	10.50 % p.a. payable monthly in arrears (Average of the 1 year MCLR of ICICI Bank, HDFC Bank, State Bank of India and Bank of Baroda (Benchmark Rate), plus applicable Spread) Spread shall be calculated as the difference between the Benchmark Rate and the Coupon Rate on the date of subscription.												
Coupon Reset	Quarterly												
Coupon Payment frequency	Payable monthly in arrears												
Coupon payment date	Last date of each calendar month												
Coupon Reset Process	Linked to the average of the 1 year MCLR of ICICI Bank, HDFC Bank, State Bank of India and Bank of Baroda (Benchmark Rate), plus applicable Spread to be reset on a quarterly basis.												
Day Count Basis	On an actual by 365 days a year basis and 366 days a year basis in case of leap year.												
Interest on Application Money	Issue does contemplate payment of interest on application money till allotment of debentures at the prevailing Coupon Rate.												
Penal Interest rate	2% p.a. over and above the prevailing Coupon Rate for the defaulting period.												
Tenor	Door-to-Door tenure of around 146 Months from the Date of Allotment.												
Redemption date	31 Mar 2030 (last date of Redemption)												
Redemption Amount	The annual redemption schedule shall be as follows: (Rs. in Million) <table border="1" data-bbox="742 1758 1310 1995"> <thead> <tr> <th>Financial Year</th> <th>Redemption Amount</th> <th>Redemption (%)</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>-</td> <td>0.00</td> </tr> <tr> <td>2019</td> <td>-</td> <td>0.00</td> </tr> <tr> <td>2020</td> <td>50</td> <td>3.25</td> </tr> </tbody> </table>	Financial Year	Redemption Amount	Redemption (%)	2018	-	0.00	2019	-	0.00	2020	50	3.25
Financial Year	Redemption Amount	Redemption (%)											
2018	-	0.00											
2019	-	0.00											
2020	50	3.25											

2021	75	4.88
2022	75	4.88
2023	75	4.88
2024	120	7.80
2025	100	6.50
2026	100	6.50
2027	100	6.50
2028	100	6.50
2029	100	6.50
2030	643	41.81
Total	1,538	100.00

Repayment Schedule for each series is enclosed as **Enclosure A (colly)**.

The redemption amount for FY 2020 (Rs. 50 million) shall be paid in two equal installments, on December 31, 2019 (50%) and March 31, 2020 (50%). From FY 2021 onwards, the above annual redemption schedule shall be paid in the form of 4 quarterly instalments due on June 30, September 30, December 31 and March 31 in each year, as detailed below:

Quarter	% of annual redemption amount due
June 30	35
Sep 30	35
Dec 31	15
Mar 31	15

The Company shall have an option to prematurely pay the instalments due in the relevant financial year during the same financial year with a 90 day written notice to the Debenture holder. It may be noted that at no point of time, the total amount redeemed in a particular financial year shall exceed the scheduled redemption in that particular financial year.

Redemption Premium	Nil
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Issue Price	At par Face Value of Rs 1,000,000/- each
Discount at which security is issued and the effective yield as a result of such discount.	Not Applicable
Call Option Date	On the 2 <sup>nd</sup> anniversary from the date of subscription and at any point of time thereafter for whole or part of NCD.
Call Option Price	Face value + prepayment premium of 0.60% of the par value of NCD called.
Call Notification Time	Prior written notice of 150 days
Face Value	Rs. 1,000,000/- per Debenture
Minimum Application Size	1 Debentures of Rs. 1,000,000/- each and multiples of 1 Debenture thereafter.
Issue Opening Date	February 07, 2018
Issue Closing Date	February 10, 2018 or earlier
Deemed Date of Allotment	February 08, 2018 or such other mutually agreed date
Market Lot	The minimum lot size for trading shall be 1 debenture
Issuance mode of Debenture	Only in dematerialized form
Trading mode of the Debenture	Only in dematerialized form
Settlement mode of the instrument	The payment of the interest and / or principal shall be done by RTGS / Cheque to the holders of the NCD on or before due dates.
Depository	NSDL and/or CDSL
Business Day Convention	If any of the date(s), including the Date of Allotment / Deemed Date of Allotment, Maturity Date or Redemption Date or the Record Date or the Interest Payment date, as defined above, falls on a non working Saturdays for a Bank or Sunday or a public holiday at a place where the payment is to be made, the immediately preceding Business Day shall be deemed to be the Due Date.
Record Date	The date, as may be fixed by the Company, which will be 15 days prior to the redemption date on which the determination of the persons entitled to receive coupon / redemption amount in respect of the Debentures (i.e., persons whose names are registered in the register of Debenture Holders or NSDL / CDSL record) shall be made.
Security	NCD shall be secured on a pari passu basis by way of:

	<ul style="list-style-type: none"> <li>(i) Pledge of 51% of the issued and paid-up equity shares of Company at all times;</li> <li>(ii) NDU and negative lien over the balance 49% equity share capital of Company;</li> <li>(iii) Equitable mortgage of all the Company's immovable properties, present and future;</li> <li>(iv) Hypothecation of all the Company's movables, including movable, plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future;</li> <li>(v) Hypothecation on all the Company's operating cash flows, book debts and receivables, commissions and any other revenues of whatsoever nature and wherever arising, present and future;</li> <li>(vi) Charge over all intangibles including but not limited to goodwill, uncalled capital, present and future;</li> <li>(vii) Hypothecation / charge or creation of security interest in (i) all the right, title, interest, benefits, claims and demands whatsoever of the Company in the Project Documents, duly acknowledged to by the relevant counterparties to such Project Documents, all as amended, varied or supplemented from time to time; (ii) all the rights, title, interest, benefits, claims and demands whatsoever of the Issuer in the Clearances; (iii) all the rights, titles, interest, benefits, claims and demands whatsoever of the Issuer in any letter of credit, guarantee, performance bond provided by any party to the Project Documents, and (iv) all insurance contracts/insurance proceeds;</li> <li>(viii) First charge in favor of the Debenture Trustee on the letter of credit (if any) / Escrow account and other reserves, and all other bank accounts of the Issuer wherever maintained.</li> </ul> <p>The Security at point no. (i) shall be created and perfected within a period of 90 days from initial subscription date</p> <p>The Security at point nos. (ii) and from (iv) to (viii) shall be created upfront prior to subscription and perfected</p>
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	<p>within a period of 30 days from initial subscription date</p> <p>The Security at point no. (iii) shall be created and perfected within a period of 30 days from initial subscription date</p> <p><b><i>Ranking of Security</i></b></p> <p>The Security at point nos. (i) and (ii) shall be available exclusively for the Debenture Holders. The balance Security shall be shared on first pari passu basis with working capital lenders providing working capital limits which currently is Rs. 60 million and proposed to be increased upto Rs. 90 million.</p>
Condition subsequent	<p>(i) Perfection of security in accordance with the specified timelines mentioned above.</p> <p>(ii) Receipt of No dues certificate from the existing borrower;</p> <p>(iii) Intimation to Government of Uttarakhand informing about the new investor with 45 days from the date of first disbursement;</p> <p>(iv) Creation of Debt Service Reserve to meet the debt service requirements for the amount equivalent to the ensuing 3 months principal and coupon payment due under the facility.</p>
Events of Default	As per Debenture Trust Deed
Provision related to cross default	Not Applicable
Roles and responsibility of Debenture Trustee	As per Debenture Trust Deed
Governing law and jurisdiction	Delhi

#### **Additional Covenants**

Delay in Security Creation	In case the Company fails to create Security within the specified timelines as provided in the Debenture Trust Deed a penal interest of 2% p.a. on the outstanding amount of Debenture shall be payable from the expiry of such timelines and till such creation of Security to the satisfaction of the Debentureholder(s) / Beneficial Owner(s) as well as the Debenture Trustees.
Cash Sweep	In case DSCR in any year exceeds 1.35x, the additional cash flow

	<p>over DSCR threshold of 1.35x could be utilized towards premature redemption of NCDs at the option of the Debentureholder without any prepayment penalty. Such cash sweep shall take place on September 30 of every year based on the DSCR calculated for the 12 months ending on March 31 of the same year.</p> <p>Premature Redemption under Cash Sweep shall be adjusted in inverse order of maturity.</p> <p>In addition to the Cash Sweep, the Company shall have an option to redeem the outstanding Debentures out of the available surplus as follows:</p> <p>(i) Once during the period commencing from date of subscription till December 31, 2018, upto a maximum amount of Rs. 50 million.</p> <p>(ii) Once during the period from January 1, 2019 to December 31, 2019: upto a maximum amount of Rs. 50 million.</p> <p>Such redemption shall be adjusted against proximate instalments. The Company shall issue a notice of 90 days prior to exercise of such option.</p>
Limited Premature Redemption	BHPL shall have an option to prematurely pay the instalments due in a financial year during the same financial year with a 90 days written notice to the Investors. The total amount redeemed in a particular financial year shall not exceed the scheduled redemption in that particular financial year
Debenture Trustee	Axis Trustee Services Ltd has consented to act as Debenture trustee vide their letter dated 25 January 2018 a copy of which is enclosed herewith as <b>Enclosure B</b> .

**h. Proposed time schedule for which the offer letter is valid;**

Offer letter is valid from February 07, 2018 to February 10, 2018 or earlier.

**i. Purposes and objects of the offer;**

To fully prepay the existing outstanding non-convertible debentures of Rs 1516.7 million plus applicable redemption premium and for general corporate purposes.

**j. Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects;**

Contribution made by the Promoter(s):

Sn	Company	Equity (Amount in Rs.)	Preference (Amount in Rs.)
	NIL		

k. **Principle terms of assets charged as security, if applicable**

Refer clause Security in the table tabulated in clause g.

**3. DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.**

i. **Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.**

Nil

ii. **Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.**

Nil

iii. **Remuneration of directors (during the current year and last three financial years)**

Name of Directors	(In Rupees)			
	Current year Up to Jan 18	Financial year 2016-17	Financial year 2015-16	Financial year 2014-15
Mr. Rajesh Kumar Jindal	89,14,100	90,39,000	64,67,020	62,08,800
Mr. Satish Chand*	--	1,05,000	4,20,000	3,90,311
Mr. Pramod Kumar Arora**	20,77,000	24,86,940	--	--
* Retired w.e.f. 31 October 2016				
** Appointed w.e.f 01 November 2016				

iv. **Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided.**

The Related Party transactions is tabulated hereunder:

Particulars	Holding Company (1)	Key managerial personnel (2)	Individual owning directly or indirectly an interest in the voting power (3)	Relative of person described in (2). and (3).	Enterprises over which any person described in 2. and 3. have significant influence (5)	Total
<b>Share Application money received</b>						
-Financial Year 2016-17						-
-Financial Year 2015-16	100,940,000					100,940,000
-Financial Year 2014-15						-
<b>Share Application money refunded</b>						
-Financial Year 2016-17						-
-Financial Year 2015-16						-
-Financial Year 2014-15					33,750,000	33,750,000
<b>Allotment of 3% fully convertible preference shares</b>						
-Financial Year 2016-17						-
-Financial Year 2015-16	100,940,000					100,940,000
-Financial Year 2014-15						-
<b>Allotment of 8% non- cumulative redeemable preference shares</b>						
-Financial Year 2016-17						-
-Financial Year 2015-16			40,000,000			40,000,000
-Financial Year 2014-15						-
<b>Redemption of 8% non-cumulative redeemable preference shares</b>						
-Financial Year 2016-17						-
-Financial Year 2015-16			40,000,000	60,000,000		100,000,000
-Financial Year 2014-15						-
<b>Subscription of 3% fully convertible preference shares</b>						
-Financial Year 2016-17						-
-Financial Year 2015-16					54,400,000	54,400,000
-Financial Year 2014-15						-
<b>Rent Paid</b>						
-Financial Year 2016-17					875,676	875,676
-Financial Year 2015-16					867,870	867,870
-Financial Year 2014-15					856,187	856,187
<b>Consultancy Fees</b>						
-Financial Year 2016-17					775,000	775,000
-Financial Year 2015-16					500,000	500,000
-Financial Year 2014-15					0	-
<b>Remuneration Paid</b>						
-Financial Year 2016-17		15,151,140				15,151,140
-Financial Year 2015-16		9,254,915				9,254,915
-Financial Year 2014-15		8,309,303				8,309,303



Particulars	Holding Company (1)	Key managerial personnel (2)	Individual owning directly or indirectly an interest in the voting power (3)	Relative of person described in (2). and (3).	Enterprises over which any person described in 2. and 3. have significant influence (5)	Total
<b>Reimbursement of Expenses to other enterprises</b>						
-Financial Year 2016-17					371,205	371,205
-Financial Year 2015-16					966,327	966,327
-Financial Year 2014-15					265162	265,162
<b>Reimbursement of Expenses from other enterprises</b>						
-Financial Year 2016-17					1,744,885	1,744,885
-Financial Year 2015-16					1,935,987	1,935,987
-Financial Year 2014-15					1436319	1,436,319
<b>Payment of Car Lease charges</b>						
-Financial Year 2016-17				330,000		330,000
-Financial Year 2015-16				360,000		360,000
-Financial Year 2014-15				360,000		360,000
<b>Reimbursement of Expenses to Director</b>						
-Financial Year 2016-17		344,144				344,144
-Financial Year 2015-16		432,020				432,020
-Financial Year 2014-15		595189				595,189
<b>Reimbursement of Expenses to CFO</b>						
-Financial Year 2016-17		24,005				24,005
-Financial Year 2015-16		34,263				34,263
-Financial Year 2014-15		0				-
<b>Reimbursement of Expenses to Company Secretary</b>						
-Financial Year 2016-17		42,508				42,508
-Financial Year 2015-16		11,982				11,982
-Financial Year 2014-15						-
<b>Balance payable</b>						
<b>Share Application money pending allotment</b>						
-Financial Year 2016-17						-
-Financial Year 2015-16						-
-Financial Year 2014-15	50		4000000			40,000,050

- v. **Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark.**

During the last five financial years, the Statutory Auditors have only reported the following adverse remark in para xviii of Annexure to Independent Auditors report for Financial Year 2013-14 dated 23 Aug 2014.

*“According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the funds amounting to Rs. 19,30,86,507/- raised on short terms basis have been used for long terms investment representing acquisition of fixed assets and capital advance.”*

**Justification:** The State of Uttarakhand experienced severe and unprecedented floods in the FY 2013-14 causing extensive loss to Company. Promoter(s) have arranged aforesaid short-term fund to support the company’s working capital gap requirement caused by flood, undertake restoration work, long term financial obligation (term loan) and capital expenditure. Further, the Company had preferred claim on account of material damage and loss of profit which has since been settled and loan have been repaid.

- vi. **Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also, if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries.**

Nil

- vii. **Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.**

Nil

#### **4. FINANCIAL POSITION OF THE COMPANY**

- (a) **The capital structure of the company is tabulated here as under:**

- (i) **The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);**

<b>Authorised Share Capital</b>	<b>Nos. of Shares</b>	<b>Face Value of Shares(Rs.)</b>	<b>Total Nominal Value (Rs.)</b>
Equity	2,00,00,000	10	20,00,00,000
Preference	75,00,000	100	75,00,00,000
<b>Total</b>			<b>95,00,00,000</b>

Issued, subscribed and paid up capital:

Type of Capital	Nos. of Shares	Face Value of Shares (Rs.)	Total Nominal Value (Rs.)
Equity Capital	1,96,26,317	10	19,62,63,170
3% Fully Convertible Non Cumulative Preference Shares	49,76,555	100	49,76,655,500
8% Non Cumulative Redeemable Preference Shares	12,74,568	100	12,74,56,800

(ii) **Size of the present offer**

INR 1538 Million comprising of 1538 Number of NCD of Face Value of Rs 1,000,000/- each.

(iii) **Paid up capital after the offer**

Paid up share capital will remain same after the above offer of NCD

(iv) **After conversion of convertible instruments (if applicable)**

Not applicable

(v) **Share premium account (before and after the offer)**

Nil

(vi) **The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.**

Particulars	Date of Allotment	Nos. of Shares	Face Value of Shares (Rs.)	Total Nominal Value (Rs.)	Value of Consideration in Cash (Rs.)
Equity	16-Feb-2006	50,500	10	5,05,000	5,05,000
	3-Aug-2007	1,57,83,420	10	15,78,34,200	15,78,34,200
	26-Jun-2008	23,20,397	10	2,32,03,970	2,32,03,970
	2-Jan-2009	14,72,000	10	1,47,20,000	1,47,20,000
<b>Total</b>		<b>1,96,26,317</b>		<b>19,62,63,170</b>	

Note: Equity shares have been issued for cash at par.

Particulars	Date of Allotment	Nos. of Shares	Face Value of Shares (Rs.)	Total Nominal Value (Rs.)	Value of Consideration in Cash (Rs.)
<b>3% Fully Convertible Non Cumulative Preference Shares</b>	28-Mar-2011	9,43,136	100	9,43,13,600	9,43,13,600
	30-Sep-2011	3,47,900	100	3,47,90,000	3,47,90,000
	02-Dec-2011	8,23,830	100	8,23,83,000	8,23,83,000
	13-Dec-2013	6,15,500	100	6,15,50,000	6,15,50,000
	27-Dec-2013	4,94,640	100	4,94,64,000	4,94,64,000
	27-Jan-2014	7,42,140	100	7,42,14,000	7,42,14,000
	27-July-2015	10,09,409	100	10,09,40,900	10,09,40,900
<b>Sub Total</b>		<b>49,76,555</b>		<b>49,76,55,500</b>	<b>49,76,55,500</b>

Note: Preference Shares have been issued for cash at par.

Particulars	Date of Allotment	Nos. of Shares	Face Value of Shares (Rs.)	Total Nominal Value (Rs.)	Value of Consideration in Cash (Rs.)
<b>8% Non Cumulative Redeemable Preference Shares</b>	28-Mar-2011	27,37,368	100	27,37,36,800	27,37,36,800
	18-May-2012	3,51,500	100	3,51,50,000	3,51,50,000
	06-Jul-2012	3,35,000	100	3,35,00,000	3,35,00,000
	13-Dec-2013	(6,00,000)	100	(6,00,00,000)	(6,00,00,000)
	27-Dec-2013	(4,14,300)	100	(4,14,30,000)	(4,14,30,000)
	27-Jan-2014	(5,35,000)	100	(5,35,00,000)	(5,35,00,000)
	22- Feb-2015	(10,00,000)	100	(10,00,00,000)	(10,00,00,000)
	30-May-2015	4,00,000	100	4,00,00,000	4,00,00,000
<b>Sub Total</b>		<b>12,74,568</b>		<b>12,74,56,800</b>	<b>12,74,56,800</b>

Note :

- Preference Shares have been issued for cash at par.
- Number of shares and amount in bracket denotes redemption of Preference shares.

(vii) **Number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case;**

Company has not issued/ allotted any securities for consideration other than cash.

Particulars	Date of Allotment	Nos. of Shares	Face Value of Shares (Rs.)	Total Nominal Value (Rs.)	Value of Consideration in Cash (Rs.)
Equity	NIL				
Preference	NIL				

- (b) **Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter;**

Particulars	2016-17	2015-16	2014-15
Profit Before Tax (PBT)	10,88,16,565	3,40,54,542	(32,90,90,032)
Profit After Tax (PAT)	18,92,90,429	67,51,999	(25,96,71,253)

- (c) **Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid)**

Company has not declared any dividend in the three financial years immediately preceding the date of circulation of offer letter.

- (d) **A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of circulation of offer letter;**

The summary of the financial position of the company as in the three audited balance sheets is tabulated here as under:

	Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)	As at 31-Mar-15 (Rs.)
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Shareholders' funds</b>			
	(a) Share capital	821,375,470	821,375,470	780,434,570
	(b) Reserves and surplus	(580,749,339)	(770,039,768)	(776,791,767)
	Share Application money pending allotment	-	-	40,000,050
	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	1,496,000,000	1,824,000,000	1,964,789,555
	(b) Deferred tax liability	-	51,964,861	24,666,818
	(c) Long-term provisions	178,652,107	164,767,909	142,104,508
	<b>Current liabilities</b>			
	(a) Short Term Borrowing	-	-	121,200,000
	(b) Trade payables	49,522,876	33,305,597	34,748,494

	Particulars	As at 31-Mar-17 (Rs.)	As at 31-Mar-16 (Rs.)	As at 31-Mar-15 (Rs.)
	(c) Other current liabilities	142,801,197	101,594,874	63,288,546
	(d) Short-term provisions	4,142,136	340,979	332,395
	<b>TOTAL</b>	<b>2,111,744,447</b>	<b>2,227,309,922</b>	<b>2,394,773,169</b>
<b>II.</b>	<b>ASSETS</b>			
	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	1,392,734,415	1,687,045,186	2,047,237,478
	(ii) Intangible assets	22,533,303	24,930,424	27,590,610
	(iii) Capital work in progress	433,404	-	-
	(b) Non current investments	104,804,895	104,804,895	-
	(c) Deferred tax assets	35,947,955	-	-
	(d) Long-term loans and advances	160,004,920	154,780,116	152,064,556
	<b>Current assets</b>			
	(a) Inventories	12,942,419	46,350,225	24,787,707
	(b) Current investments	46,740,000	-	-
	(c) Trade receivables	20,626,231	17,135,075	9,875,356
	(d) Cash and cash equivalents	235,165,896	126,093,242	118,382,241
	(e) Short-term loans and advances	79,811,009	66,170,759	14,747,111
	(f) Other Current Assets	-	-	88,110
	<b>TOTAL</b>	<b>2,111,744,447</b>	<b>2,227,309,922</b>	<b>2,394,773,169</b>

(e) **Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter;**

Abridged Audited Cash Flow statement for last three years:

	Particulars	2016-2017 (Rs.)	2015-2016 (Rs.)	2014-15 (Rs.)
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
	Net profit before taxes	108,816,565	34,054,542	(329,090,032)
	<b>Adjustment for:</b>			
	Depreciation/amortisation	299,553,643	377,372,573	474,047,980
	Interest charges	199,124,041	232,386,562	282,247,822
	Finance charges	1,985,979	7,744,536	4,760,718
	Prior period items	-	(4,500)	(123,365)
	Profit on sale of current investment	(18,881,815)	(17,850,778)	(4,676,060)
	<b>Operating profit before working capital changes</b>	<b>590,598,413</b>	<b>633,702,935</b>	<b>427,167,063</b>
	(Increase)/Decrease in Trade and other receivables	(33,922,754)	(12,200,397)	(29,160,674)
	(Increase)/Decrease in Inventories	33,407,806	(21,562,518)	8,741,359
	Increase/(Decrease) in Trade and other payables	29,323,477	13,535,416	56,951,941
	<b>Cash generated from / (used in) operations</b>	<b>619,406,942</b>	<b>613,475,437</b>	<b>463,699,690</b>
	Income taxes paid including tax deducted at source net of refund	913,072	(3,510,420)	(726,531)
	<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>620,320,014</b>	<b>609,965,017</b>	<b>462,973,159</b>

	Particulars		2016-2017 (Rs.)	2015-2016 (Rs.)	2014-15 (Rs.)
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
	Payment for purchase of fixed assets		(2,845,751)	(14,520,096)	(12,881,883)
	Fixed Deposit taken during the year				(4,400,000)
	Fixed Deposit matured during the year				105,334,000
	Capital work in progress (including advances against capital expenditure)		(433,404)	-	-
	ICD given during the year		7,000,000	(50,000,000)	-
	Investment		(46,740,000)	(104,804,895)	-
	Sale of current investment		1,381,044,555	1,489,645,062	779,490,889
	Purchase of current investment		(1,362,162,740)	(1,471,794,284)	(774,814,829)
	<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(B)</b>	<b>(24,137,340)</b>	<b>(151,474,213)</b>	<b>92,728,177</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
	Proceeds from issue of share capital		-	100,940,900	-
	Redemption of shares		-	(100,000,000)	-
	Allotment of share application money pending allotment		-	40,000,000	-
	Repayment of borrowings		(286,000,000)	(885,989,555)	(164,500,000)
	Interest and finance charges		(201,110,020)	(240,131,098)	(287,008,540)
	<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(C)</b>	<b>(487,110,020)</b>	<b>(455,179,803)</b>	<b>(453,058,540)</b>
	<b>NET INC/ (DEC) IN CASH AND CASH EQUIVALENTS ( A +B +C)</b>		<b>109,072,655</b>	<b>3,311,001</b>	<b>102,642,796</b>
	Cash and cash equivalents (comprising of)				
	Cash and cash equivalents (closing balance)		235,165,896	126,093,242	118,382,241
	Less: Fixed deposit (maturity beyond 3 months)		-	4,400,000	-
	Less: Cash and cash equivalents (opening balance)		126,093,242	118,382,241	15,739,446
			<b>109,072,655</b>	<b>3,311,001</b>	<b>102,642,795</b>

(f) **Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.**

NIL

**5. A DECLARATION BY THE DIRECTORS THAT-**

- a. the company has complied with the provisions of the Act and the rules made thereunder;
- b. the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;
- c. the monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter;

I am authorized by the Board of Directors of the Company vide resolution dated February 7, 2018 to sign this form and declare that all the requirements of Companies

Act, 2013 and the rules made there under in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For **BHILANGANA HYDRO POWER LIMITED**

Mr. Rajesh Kumar Jindal  
Director  
DIN: 00003980

Date: February 7, 2018  
Place: Noida

**List of Enclosures:**

<b>Sn</b>	<b>Particulars</b>	<b>Enclosures</b>
1.	Repayment Schedule	<b>A</b>
2.	Consent letter from Debenture Trustee	<b>B</b>
3.	Copy of board resolution	<b>C</b>
4.	Copy of shareholders resolution	<b>D</b>