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# K.P. ENERGY LIMITED

Our Company was incorporated as K.P. Energy Pvt. Ltd. on January 08, 2010 under the Companies Act, 1956, with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, bearing Registration Number 059169. The status of our Company was changed to public limited company and the name of our Company was changed to K.P. Energy Limited by a special resolution passed on April 10, 2015. A fresh Certificate of Incorporation consequent to the change of name was granted to our Company on May 11, 2015, by the Registrar of Companies, Ahmedabad, bearing CIN U40100GJ2010PLC059169. For further details, please see the chapter titled "History and certain Corporate Matters" beginning on page 118 of the Red Herring Prospectus.

Registered Office: A-1/2, Firdos Tower, Behind Fazal Shopping Centre, Adajan Patla, Surat, Gujarat - 395009. Tel: +91-261-2764757. Tele-Fax: +91-261-2764757. Email: info@kpenery.in. Website: www.kpenery.in  
 Company Secretary and Compliance Officer: Ms. Nita Mishra. Email: info@kpenery.in. Corporate Identity Number: U40100GJ2010PLC059169

## OUR PROMOTERS: MR. FARUKBHAI PATEL AND MR. ASHISH A MITHANI

**PUBLIC ISSUE OF 9,20,000 EQUITY SHARES OF ₹ 10 EACH ("EQUITY SHARES") OF K.P. ENERGY LIMITED ("KPEL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [\*] PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹ [\*] LAKHS (THE "ISSUE"), OF WHICH, 48,000 EQUITY SHARES OF ₹ 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKERS TO THE ISSUE (AS DEFINED IN THE CHAPTER "DEFINITIONS AND ABBREVIATIONS") (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 8,72,000 EQUITY SHARES OF ₹ 10 EACH IS HEREAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.90% AND 25.50%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.**

**Price Band: ₹ 60 to ₹ 70 Per Equity Share of Face Value ₹ 10 each.**  
**The Floor Price is 6.0 times of the Face Value and the Cap Price is 7.0 times the Face Value.**  
**Bids can be made for a minimum of 2000 Equity Shares and in multiples of 2000 Equity Shares thereafter.**

### RISKS TO INVESTORS:

- The Merchant Banker associated with the Issue has handled 10 public issues in the past three years, out of which 2 issues closed below the issue price on listing date.
- The Price / Earnings ratio based on standalone diluted EPS for the latest full financial year and based on annualized standalone diluted EPS for the six months ended September 30, 2015 for the Issuer at the upper end of the Price band is 3.02 times and 7.01 times respectively. The Company has not completed full financial year on consolidated basis.
- As on date of the Red Herring Prospectus, the average cost of acquisition per Equity Share by our Promoters viz. Mr. Farukbhai Patel is ₹ 6.49 and Mr. Ashish A. Mithani is ₹ 6.03

### BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for the offered Equity Shares by the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 and Issue Price is 6.0 times of the face value at the lower end of the Price Band and 7.0 times the face value at the higher end of the Price Band. Investors should also refer to the Chapter titled "Risk Factors" and "Financial Information" and the chapter titled "Business Overview" beginning on pages 11, 143 and 93 respectively, of the Red Herring Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of Our Company could decline due to these risk factors and you may lose all or part of your investments.

#### Qualitative Factors

We believe that the following strengths help differentiate us from our competitors and enable us to compete successfully in our industry:

- Unique model and value proposition.
- Project management expertise and established track record of project execution.
- Experienced Management team.
- Existing Land Bank of proven Wind Energy.
- Existing Order Book.
- Existing synergies within the KP Group.

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, please see "Business Overview - Our Strengths" on page 94 of the Red Herring Prospectus.

#### Quantitative Factors

Information presented in this chapter is derived from restated standalone financial statements prepared in accordance with Indian GAAP

#### 1) Earnings per Share (EPS)

Year Ended March 31	Basic & Diluted EPS (in ₹) <sup>(i)</sup>	Weight
2015	23.17	3
2014	2.39	2
2013	23.91	1
Weighted Average	16.37	
For September 30, 2015 (Standalone)	4.99 <sup>(ii)</sup>	
For September 30, 2015 (Consolidated)	4.99 <sup>(ii)</sup>	

<sup>(i)</sup> Not Annualised.

#### Notes:

- As there is no dilutive capital in the Company, Basic and Diluted EPS are same.
- EPS has been calculated as per the following formula: Net Profit after excluding Extra-ordinary items / Weighted Average No. of outstanding shares.
- EPS calculations are in accordance with Accounting Standard 20 "Earnings per Share" prescribed by the Companies (Accounting Standard) Rules, 2006
- The face value of each Equity Share is ₹ 10.

#### 2) Price Earnings (P/E) in relation to the Issue price of ₹ [\*] per share of ₹ 10 each

Particulars	P/E Ratios
P/E ratio based on EPS as at March 31, 2015 at the lower end of the price band	2.59
P/E ratio based on EPS as at March 31, 2015 at the upper end of the price band	3.02
P/E ratio based on Weighted Average EPS at the lower end of the price band	3.67
P/E ratio based on Weighted Average EPS at the upper end of the price band	4.28
Industry P/E*	
Highest - Tata Power Co.	19.3
Lowest - SJVN	7.7
Average	11.1

\*Source: Capital Market, Jan 04-17, 2016 (Category "Power Generation and Supply")

For further details, see the Chapter titled "Basis of the Issue Price" on page no. 69 of the Red Herring Prospectus.

## BID / ISSUE PROGRAMME

**OPENS ON: MONDAY, FEBRUARY 15, 2016**  
**CLOSES ON: WEDNESDAY, FEBRUARY 17, 2016**

## ASBA\*

Simple, Safe, Smart way of Application - Make use of it!!!

\*Applications Supported by Blocked Amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account, investors can avail the same. For details, check section on ASBA below.  
**Mandatory in Public Issue from January 01, 2016. No cheque will be accepted.**

In case of revision in the Price Band, the Bid / Issue Period will be extended for at least three additional Working Days after revision of the Price Band subject to the Bid / Issue Period not exceeding a total of 10 Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be widely disseminated by notification to the BSE Limited ("the Stock Exchange"), by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Manager ("BRLM"), and at the terminals of the members of the Syndicate and by intimation to Self Certified Syndicate Banks ("SCSBs"), the Registered Brokers, Registrar and Share Transfer Agents and Collecting Depository Participants and the Registered Brokers.

The Issue is being made through the Book Building process wherein 50% of Net Issue of the Equity Share offered are reserved for allocation to Bidders below or equal to ₹ 2.00 lakhs and the balance for higher amount Bids. The Issue comprises a Net Issue to Public of 8,72,000 Equity Shares of ₹ 10 each ("the Net Issue"), and a reservation of 48,000 Equity Shares of ₹ 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion"). The Issue and the Net Issue will constitute 26.90% and 25.50%, respectively of the Post Issue Paid-up Equity Share Capital of the Company. Allocation to all categories shall be made on a proportionate basis subject to valid Bids received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines. All investors shall participate in this Issue only through the ASBA process. For details in this regard, specific attention is invited to "Issue Procedure" on page 231 of the RHP. Bidders should ensure that DP ID, PAN and the Client ID are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidder may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder as available on the records of the Depositories. These Demographic Details may be used, among other things, for any correspondence(s) related to the Issue. Bidders are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders' sole risk.

**Risk in relation to first issue:** This being the first issue of the company, there has been no formal market for the securities of the company. The face value of the shares is ₹ 10 per Equity Share and the Issue Price is [\*] times of the face value. The Issue Price (as determined and justified by our Company in consultation with the Book Running Lead Manager ("BRLM") as stated under the chapter titled "Basis for Issue Price" beginning on page 69 of the Red Herring Prospectus, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our company or regarding the price at which the equity shares will be traded after listing.

**Issuer's Absolute Responsibility:** Our Company having made all reasonable inquiries, accepts responsibility for, and confirms that the Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue; that the information contained in the Red Herring Prospectus is true and correct in all material respects and is not misleading in any material respect; that the opinions and intentions expressed in the Red Herring Prospectus are honestly held and that there are no other facts, the omission of which makes the Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

Contents of the Memorandum of Association of the Company as regards its objects: To manufacture, produce, install, commission, operate,

prepare, pay, import, buy, sell, supply, distribute or otherwise deal in all energy production and conversion, activities in all its form including of various renewable sources like solar and wind energy, all forms of biomass, geothermal energy, hydro energy, tidal and wave energy also effective and efficient utilisation of conventional energy forms like coal, oil, gas, electricity and all equipments that may be associated with such energy related activities.

#### Liability of Members of the Company: Limited by shares.

**Amount of share capital of the Company and Capital Structure:** The authorised share capital of the Company is ₹ 5,00,00,000 divided into 50,00,000 Equity Shares of ₹ 10 each. The issued, subscribed and paid-up share capital of the Company before the issue is ₹ 2,50,00,000 divided into 25,00,000 Equity Shares of ₹ 10 each. For details of the Capital Structure, see "Capital Structure" on the page 54 of the RHP.

**Names of the signatories to the Memorandum of Association of the Company and the number of Equity Shares subscribed by them:** Given below are the names of the signatories of the Memorandum of Association of the Company and the number of Equity Shares subscribed for by them at the time of signing of the Memorandum of Association of our Company - (1) Farukbhai Patel: 5,000 Equity Shares and (2) Ashish A Mithani: 5,000 Equity Shares, aggregating to 10,000 Equity Shares of ₹ 10/- each.

**LISTING:** The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the SME Platform of BSE. In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain an in-principle listing approval for the shares being issued in this Issue. However, our company has received an approval letter dated October 23, 2015 from BSE for using its name in the Offer Document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the designated Stock Exchange will be the BSE Limited ("BSE").

**DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI):** Since the Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations 2009, the Draft Red Herring Prospectus / Red Herring Prospectus was not filed with SEBI. In terms of the SEBI Regulations, the SEBI shall not issue any observation on the Offer Document. Hence there is no such specific disclaimer clause of SEBI.

**DISCLAIMER CLAUSE OF THE BSE (THE DESIGNATED STOCK EXCHANGE):** It is to be distinctly understood that the permission given by BSE should not in any way be deemed or construed that the Red Herring Prospectus has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the Red Herring Prospectus. The investors are advised to refer to page 218 of the Red Herring Prospectus for the full text of the Disclaimer clause of the BSE.

**IPO GRADING:** The Issue has been graded by CRISIL Limited as CRISIL SME Fundamental Grade 3, indicating good fundamentals. The SME Fundamental Grade is assigned on a five-point scale from 1 to 5, with IPO grade 5/5 indicating excellent fundamentals and grade 1/5 indicating poor fundamentals. For details, see sections titled "General Information" and "Material Contracts and Documents for Inspection" on pages 45 and 286 of the Red Herring Prospectus, respectively.

**GENERAL RISK:** Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of the Red Herring Prospectus. Specific attention of the investors is invited to the Section titled "Risk Factors" beginning on page 11 of the Red Herring Prospectus.

### BOOK RUNNING LEAD MANAGER



**ARYAMAN FINANCIAL SERVICES LIMITED**  
 60, Khatau Building, Ground Floor, Akash Dinesh Modi Marg,  
 Fort, Mumbai - 400 001, Maharashtra, India  
 Tel: +91-22-22518264; Fax: +91-22-22530434  
 Email: info@afsl.co.in  
 Investor Grievance Email: feedback@afsl.co.in  
 Website: www.afsl.co.in  
 SEBI Registration No.: MB / INM000011344  
 Contact: Mr. Shreyas Shah / Mr. Deepak Bhanu

### REGISTRAR TO THE ISSUE



**BIGSHARE SERVICES PRIVATE LIMITED**  
 E-2/3, Ansa Industrial Estate, Sakinaka Road, Sakinaka,  
 Andheri (E), Mumbai - 400 072, Maharashtra, India  
 Tel: +91-22-40430200; Fax: +91-22-28475207  
 Email: ipo@bigshareonline.com  
 Investor Grievance Email: investor@bigshareonline.com  
 Website: www.bigshareonline.com  
 SEBI Registration No.: MB / INR000001385  
 Contact Person: Mr. Ashok Shetty

### COMPANY SECRETARY AND COMPLIANCE OFFICER

**Ms. Nita Mishra**  
 A-1/2, Firdos Tower, Behind Fazal Shopping Centre,  
 Adajan Patla, Surat, Gujarat - 395009  
 Tel: +91-261-2764757; Tele-Fax: +91-261-2764757,  
 Email: info@kpenery.in; Website: www.kpenery.in

Bidders can contact the Compliance Officer or the Registrar to the Issue in case of any pre-issue or post-issue related problems, such as non-receipt of Allotment Advice or credit of allotted Equity Shares in the respective beneficiary account or unblocking of funds, etc.

**AVAILABILITY OF RHP:** Investors are advised to refer to the RHP and in the Risk Factors contained therein before applying in the Issue. Full copy of the RHP is available on the websites of the Company, the BRLM and the Stock Exchange at www.kpenery.in, www.afsl.com and www.bseindia.com respectively.

**AVAILABILITY OF BID-CUM-APPLICATION FORMS:** Bid-Cum-Application forms can be obtained from the Registered Office of the Company, BRLM: Aryaman Financial Services Limited and the Syndicate Member: Aryaman Financial Services Limited and Aryaman Capital Markets Limited. Bid-Cum-Application Forms can also be obtained from the Stock Exchange and list of SCSBs available on the website of SEBI at www.sebi.gov.in and website of Stock Exchange at www.bseindia.com.

**APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (ASBA):** Investors have to compulsorily apply through the ASBA process. ASBA has to be availed of by all investors. The investor is required to fill the Bid cum Application form and submit the same to the relevant SCSB or the Syndicate Member at the specified Location or the Registered Brokers at Broker Center or the RTA or the CDP. The SCSB will block the amount in the account as per the authority contained in Bid cum Application form and undertake other tasks as per the specified procedure. On Allotment, amount will be unblocked and account will be debited only to the extent required to be paid for Allotment of Equity Shares. Hence, there will be no need for refunds. For more details on the ASBA process, please refer to the section, "Issue Procedure" beginning on page 231 of the RHP.

**BANKER TO THE ISSUE / REFUND BANK:** Axis Bank Limited

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Red Herring Prospectus dated February 03, 2016.

Place: Surat  
 Date: February 05, 2016

**K. P. Energy Limited** is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make a Public Issue of its Equity Shares and has filed the RHP with Registrar of Companies Ahmedabad, Gujarat. The RHP shall be available on the websites of the Company, the BSE and the BRLM at www.kpenery.in, www.bseindia.com and www.afsl.com respectively. Bidders should note that investment in equity shares involves a high degree of risk and for details relating to the same, see the RHP including, the section titled "Risk Factors" beginning on page 11 of the RHP.

This document is not an offer of securities for sale in the United States or elsewhere. This document has been prepared for publication in India and is not for publication or distribution, directly, or indirectly, in or into the United States. The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended ("U.S. Securities Act"), or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States. Accordingly, such Equity Shares are being offered and sold outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Surgeal Comm.

For K. P. Energy Limited  
 On Behalf of the Board of Directors  
 Sd/-  
 Company Secretary and Compliance Officer