



Our Company was incorporated on February 25, 1994 as "Bharat Oman Refineries Limited", a public limited company under the Companies Act, 1956, pursuant to a joint venture agreement entered into between Bharat Petroleum Corporation Limited and Oman Oil Company Limited on December 23, 1993. Our Company obtained its certificate of commencement of business from the Registrar of Companies, Madhya Pradesh at Gwalior on May 16, 1994. We have not changed our registered office since incorporation.

Registered Office: 'A' Block, Office Complex, Gautam Nagar, Bhopal, Madhya Pradesh- 462 023, India. **Telephone:** +91 755 420 3179, **Facsimile:** +91 755 420 3178
Corporate Office: Administrative Office, Mumbai Refinery, Bharat Petroleum Corporation Limited, Mahul, Mumbai, Maharashtra – 400 074, India. **Telephone:** +91 22 2554 5833/
+91 22 2554 3898; **Facsimile:** +91 22 2554 1818

Company Secretary and Compliance Officer: Mr. Swroop Narain Mathur; **Email:** sn.mathur@borl.in; **Website:** www.borl.in

PUBLIC ISSUE BY BHARAT OMAN REFINERIES LIMITED (THE "COMPANY", "BORL" or THE "ISSUER") OF [●] EQUITY SHARES OF Rs. 10 EACH ("EQUITY SHARES") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) AGGREGATING RS. [●] (THE "ISSUE"). THE ISSUE COMPRISES A NET ISSUE TO THE PUBLIC OF [●] EQUITY SHARES (THE "NET ISSUE") AND A RESERVATION OF [●] EQUITY SHARES FOR ELIGIBLE EMPLOYEES OF OUR COMPANY (THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE WILL CONSTITUTE [●] % OF THE FULLY DILUTED POST ISSUE PAID-UP SHARE CAPITAL OF OUR COMPANY. THE NET ISSUE WILL CONSTITUTE [●] % OF THE FULLY DILUTED POST ISSUE PAID-UP SHARE CAPITAL OF OUR COMPANY. * #

* We require approximately Rs. 38,500 million as the equity contribution for our Project (as defined hereinafter) which the Company intends to raise from the Issue, the issuance of Equity Shares to our Promoter, BPCL, and the Government of Madhya Pradesh or such other sources of finance, including by way of debt or equity, as the Company deems appropriate in accordance with applicable laws. For further details see the section "Capital Structure" beginning on page 30.

Our Company is considering a Pre-IPO Placement of Equity Shares with certain investors (the "Pre-IPO Placement"). The Pre-IPO Placement is at the discretion of our Company and our Company will complete the issuance of such Equity Shares prior to filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post Issue paid-up share capital of our Company.

PRICE BAND: Rs. [●] TO Rs. [●] PER EQUITY SHARE OF FACE VALUE Rs. 10 EACH.

THE FLOOR PRICE IS [●] TIMES THE FACE VALUE AND THE CAP PRICE IS [●] TIMES THE FACE VALUE.

A DISCOUNT OF [●] % TO THE ISSUE PRICE DETERMINED PURSUANT TO COMPLETION OF THE BOOK BUILDING PROCESS SHALL BE OFFERED TO RETAIL INDIVIDUAL BIDDERS AND ELIGIBLE EMPLOYEES WHOSE BID AMOUNT DOES NOT EXCEED Rs. 100,000 (THE "RETAIL DISCOUNT").

In case of revision in the Price Band, the Bidding Period will be extended for three additional Working Days after such revision subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the National Stock Exchange of India Limited ("NSE") and the Bombay Stock Exchange Limited ("BSE"), by issuing a press release, and also by indicating the change on the website of the Book Running Lead Managers ("BRLMs") and at the terminals of the other members of the Syndicate.

The Issue is being made through the 100% Book Building Process wherein at least 50% of the Net Issue shall be allocated to Qualified Institutional Buyers ("QIBs"), subject to valid Bids being received from them at or above the Issue Price, on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allotment on a proportionate basis to QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 50% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 15% of the Net Issue shall be available for allocation to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders on a proportionate basis, subject to valid Bids being received from them at or above the Issue Price. Further, up to [●] Equity Shares shall be available for allocation on a proportionate basis to the Eligible Employees, subject to valid Bids being received at or above the Issue Price.

IPO GRADING

This Issue has been graded by CRISIL Limited and has been assigned the "IPO Grade [●]" indicating [●], through its letter dated [●]. The IPO grading is assigned on a five point scale from 1 to 5 with an "IPO Grade 5" indicating strong fundamentals and an "IPO Grade 1" indicating poor fundamentals. For further details in this regard, see the section "General Information" beginning on page 19.

RISK IN RELATION TO FIRST ISSUE

This being the first public issue of the Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs. 10 per Equity Share and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Issue Price (as determined by our Company in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares by way of book building) 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 and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve 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 this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page xvii.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects 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 Draft 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.

LISTING ARRANGEMENT

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the NSE and the BSE. We have received in-principle approval from the NSE and the BSE for the listing of our Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Issue, NSE shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE ISSUE
 SBI Capital Markets Limited 202, Maker Towers 'E', Cuffe Parade, Mumbai-400 005, India. SEBI Registration No: INM000003531 Tel: +91 22 2218 9166, Fax: +91 22 2218 8332 Email: borl ipo@sbicaps.com Investor Grievance ID: investor.relations@sbicaps.com Contact Person: Mr. Nishit Mathur Website: www.sbicaps.com	 Citigroup Global Markets India Private Limited 12th Floor, Bakhtawar, Nariman Point, Mumbai-400 021, India. SEBI Registration No: INM000010718 Tel: +91 22 6631 9999, Fax: +91 22 6631 9803 Email: borl ipo@citi.com Investor Grievance ID: investors.cgmib@citi.com Contact Person: Mr. Shitij Kale Website: www.citibank.co.in	 Enam Securities Private Limited 801, Dalamal Towers, Nariman Point, Mumbai-400 021, India. SEBI Registration No: IM000006856 Tel: +91 22 6638 1800, Fax: +91 22 2284 6824 Email: borlwg@enam.com Investor Grievance ID: borl ipo@enam.com Contact person: Ms. Dipali Dalal Website: www.enam.com	 M/s Karvy Computershare Private Limited 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500034, India. SEBI Registration No: INR000000221 Tel: +91 40 2343 1553, Fax: +91 40 2343 1551 Email: borl ipo@karvy.com Contact Person: Mr. M. Murli Krishna Website: www.karvy.com
 ICICI Securities Limited ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai- 400 020, India. SEBI Registration No: INM000011179 Tel: +91 22 2288 2460/70, Fax: +91 22 2282 6580 Email: borl ipo@isecld.com Investor Grievance ID: customercare@isecld.com Contact Person: Mr. Vishal Kanjani Website: www.icicisecurities.com	 JM Financial Consultants Private Limited 141, Maker Chambers III, Nariman Point, Mumbai-400 021, India. SEBI Registration No: INM000010361 Tel: +91 22 6630 3030, Fax: +91 22 22047185 Email: ipo.borl@jmfinancial.in Investor Grievance ID: grievance.ibd@jmfinancial.in Contact Person: Ms. Mamta Joshi Website: www.jmfinancial.in	 Kotak Mahindra Capital Company Limited 3rd Floor, Bakhtawar, Nariman Point, Mumbai- 400 021, India. SEBI Registration No: INM000008704 Tel: +91 22 6634 1110, Fax: +91 22 2283 7517 Email : borl ipo@kotak.com Investor Grievance ID: kmccredressal@kotak.com Contact Person: Mr. Chandrakant Bhole Website: www.kotak.com	

BID/ISSUE PROGRAMME

BID/ISSUE OPENS ON [●]

BID/ISSUE CLOSES ON [●]

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DEFINITIONS AND ABBREVIATIONS

Company related terms

Term	Description
Articles/Articles of Association	The articles of association of our Company, as amended from time to time.
Auditors	M/s. Price Waterhouse, the statutory auditors of our Company.
“Bharat Oman Refineries Limited”, or “BORL”, or “the Joint Venture Company”, or “the JVC”, or “the Company” or “our Company” or “us” or “we”	Unless the context otherwise indicates or implies, refers to Bharat Oman Refineries Limited, a public limited company incorporated under the Companies Act and having its registered office at ‘A’ Block, Office Complex, Gautam Nagar, Bhopal, Madhya Pradesh- 462 023, India.
Board of Directors/Board/our Board	The board of directors of our Company, or a committee constituted thereof.
BPCL	Bharat Petroleum Corporation Limited, a public limited company incorporated under the Companies Act and having its registered office at Bharat Bhavan, 4 and 6, Currimbhoy Road, Ballard Estate, Mumbai, Maharashtra- 400 001, India.
BPCL Product Pipeline	BPCL’s petroleum product pipeline from Mumbai to Bijwasan via Manmad, Manglia and Piyala of approximately 1,379 kilometers in length.
Crude Oil Importing and Storage System	The SPM and the COT.
Crude Oil Pipeline	An approximately 935 kilometer long crude oil supply pipeline between Vadinar and Bina that we intend to construct as part of the Project.
Director(s)/our Directors	The director(s) of our Company, unless otherwise specified.
GoMP MoU	A memorandum of understanding dated May 6, 2005 executed between the GoMP and BORL as amended and supplemented from time to time.
Marketing Terminal	The marketing terminal that BPCL intends to construct as part of the Project.
Memorandum/ Memorandum of Association/our Memorandum	The memorandum of association of our Company, as amended from time to time.
Off-take Agreement	The agreement entered into between BORL and BPCL in respect of the purchase of substantially all of our petroleum products dated March 21, 2007.
Oman SAOC	Oman Oil Company S.A.O.C.
OOCL	Oman Oil Company Limited.
Power Plant	The 99MW captive co-generation power plant that we intend to

Term	Description
	construct as part of the Project.
Product Pipeline Connection	The pipeline connecting the BPCL Product Pipeline with the Marketing Terminal, to be constructed as part of the Project.
Project	The Refinery along with a crude oil terminal and a pipeline for transportation of crude oil from a designated single point mooring on west coast of India to such refinery.
Promoter	BPCL.
Promoter Group	Companies and entities enumerated in the section “Our Promoters and Promoter Group” beginning on page 114.
Promoter Contribution	Such number of Equity Shares, held by the Promoter and constituting 20% of the post-Issue equity share capital of the Company, which shall be locked-in from the date of Allotment for a period of three years from the date of commencement of commercial production or the date of Allotment, whichever is later.
Refinery	The crude oil refinery having an initial capacity of 6,000,000 metric tonnes per annum, to be set up in Bina, Madhya Pradesh.
Registered Office	The registered office of our Company located at ‘A’ Block, Office Complex, Gautam Nagar, Bhopal, Madhya Pradesh- 462 023, India.
Sanctioned Project Loan	The rupee loan facility agreement and the common agreement in respect of the Project of Rs. 63,870 million entered between our Company as borrower and a consortium of financial institutions as senior lenders and BPCL as subordinate lender, both dated June 23, 2006.
Township	The township intended to be constructed as part of the Project.

Issue-related terms

Term	Description
Allocation Amount	The amount payable by a Bidder against allocated shares on or prior to the Pay-in Date after deducting any Margin Amount that may already have been paid by such Bidder.
Allotment/Allot/Allotted	Unless the context otherwise requires, the issue and allotment of Equity Shares to successful Bidders pursuant to the Issue.
Allottee	A successful Bidder to whom Equity Shares are Allotted.
Banker(s) to the Issue	[●].
Basis of Allotment	The basis on which Equity Shares will be Allotted and which is described in the section “Issue Procedure – Basis of Allotment” beginning on page 322.
Bid	An indication to make an offer during the Bidding Period/Issue Period by a Bidder to subscribe to the Equity Shares at a price

Term	Description
	within the Price Band, including all revisions and modifications thereto.
Bid Amount/Bid Price	The highest value of the optional Bids indicated in the Bid cum Application Form or a Revision Form, and payable by the Bidder on submission of the Bid in the Issue.
Bid cum Application Form	The form in terms of which the Bidder shall make an offer to subscribe to the Equity Shares of our Company and which will be considered as the application for the Allotment, pursuant to the terms of the Red Herring Prospectus and the Prospectus.
Bid/Issue Closing Date	The date after which the members of the Syndicate will not accept any Bids, which shall be the date notified in an English national newspaper, a Hindi national newspaper and a vernacular newspaper in the place where our Registered Office is situated, each having wide circulation.
Bid/Issue Opening Date	The date on which the Syndicate will start accepting Bids, which shall be the date notified in an English national newspaper, a Hindi national newspaper and a vernacular newspaper in the place where our Registered Office is situated, each having wide circulation.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form.
Bidding Period/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids.
Book Building Process/Method	The book building process as provided in Chapter XI of the SEBI Guidelines.
BRLMs/Book Running Lead Managers	The book running lead managers to the Issue, in this case being SBICaps, Citi, Enam, I-Sec, JM Financial and Kotak.
Business Day	Any day other than Saturday or Sunday on which commercial banks in Mumbai are open for business.
CAN/Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after determining the Issue Price, including any revision thereof.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and no Bids will be accepted.
Citi	Citigroup Global Markets India Private Limited, having its registered office at 12th Floor, Bakhtawar, Nariman Point, Mumbai-400 021, India.
Cut-off Price	The Issue Price, net of Retail Discount, finalised by the Company in consultation with the BRLMs and which only Retail Individual Bidders and Eligible Employees whose Bid Amount does not exceed Rs. 100,000, are entitled to bid.

Term	Description
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account which, in no event, shall be earlier than the date on which the Prospectus is filed with the RoC following which the Board shall make the Allotment.
Designated Stock Exchange	NSE
DPID	Depository Participant Identification Number.
Draft Red Herring Prospectus / DRHP	This draft red herring prospectus dated March 27, 2008 issued in accordance with Section 60B of the Companies Act and the SEBI Guidelines, which is filed with SEBI and does not have, <i>inter alia</i> , the particulars of the Issue Price and the size of the Issue.
ECS	Electronic Clearance Service.
Eligible Employees	Permanent employees of our Company including our whole-time Directors and permanent employees of our Promoter, including the whole-time directors of our Promoter, as on the Bid/Issue Opening Date and working and present in India as on the date of submission of the Bid cum Application Form.
Eligible NRI	An NRI from such jurisdiction outside India where it is not unlawful to make an offer or invitation for participating in the Issue and in relation to whom the RHP constitutes an invitation to subscribe to the Equity Shares offered under the Issue.
Employee Reservation Portion	The portion of the Issue, being up to [●] Equity Shares, available for allocation to Eligible Employees on a proportionate basis.
Enam	Enam Securities Private Limited, having its registered office at 801/802, Dalamal Tower, Nariman Point, Mumbai- 400021, India.
Equity Shares	The equity shares of our Company of face value of Rs. 10 each.
Escrow Account(s)	The accounts opened with the Escrow Collection Bank(s) and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	The agreement to be entered into by our Company, the Registrar, the Escrow Collection Bank(s), the BRLMs and the Syndicate Members for collection of the Bid Amounts and for remitting refunds, if any, to the Bidders, on the terms and conditions thereof.
Escrow Collection Bank(s)	The bank(s) which are clearing members and registered with SEBI as Bankers to the Issue, with whom the Escrow Accounts will be opened, in this case being [●].
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form.
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalised and below which no Bids will be accepted.
IPO	Initial Public Offering.

Term	Description
IPO Grading Agency	CRISIL Limited.
I-Sec	ICICI Securities Limited, having its registered office at ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai- 400 020, India.
Issue	The issue of [●] Equity Shares at a price of Rs. [●] each for cash, aggregating Rs. [●] by our Company under the Red Herring Prospectus and the Prospectus which comprises the Net Issue to the Public of [●] Equity Shares and the Employee Reservation Portion of up to [●] Equity Shares.
Issue Price	The final price at which Equity Shares will be Allotted in the Issue, as determined by our Company in consultation with the BRLMs, on the Pricing Date.
JM Financial	JM Financial Consultants Private Limited, having its registered office at 141, Maker Chambers-III, Nariman Point, Mumbai-400021, India.
Kotak	Kotak Mahindra Capital Company Limited, having its registered office at 1st Floor, Bakhtawar, Nariman Point, Mumbai- 400021, India.
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being 10% to 100% of the Bid Amount, as applicable.
Merchant Banker	A merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.
Monitoring Agency	[●].
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Mutual Fund Portion	5% of the QIB Portion or [●] Equity Shares available for allocation to Mutual Funds only, out of the QIB Portion.
NEFT	National Electronic Fund Transfer System.
Net Issue to the Public/ Net Issue	The Issue less the Employee Reservation Portion.
Net Proceeds	The proceeds from the Issue after deducting underwriting and management fees, selling commissions and other expenses associated with the Issue, which is estimated at Rs. [●].
Non-Institutional Bidders	Bidders that are neither Qualified Institutional Buyers nor Retail Individual Bidders and who have Bid for an amount more than Rs. 100,000 (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of the Net Issue being not less than 15% of the Net Issue or [●] Equity Shares available for allocation to Non-Institutional Bidders.
Non Residents/NR	All eligible Bidders, including Eligible NRIs, FIIS registered with SEBI and FVCIs registered with SEBI, who are not persons resident

Term	Description
	in India.
NRE Account	Non Resident External Account.
NRI/Non Resident Indian	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 (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
NRO Account	Non Resident Ordinary Account.
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. OCBs are not permitted to invest in this Issue.
Pay-in Date	The Bid/Issue Closing Date or the last date specified in the CAN sent to the Bidders, as applicable.
Pay-in-Period	<p>(i) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the Bid/Issue Closing Date, and</p> <p>(ii) With respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date specified in the CAN.</p>
Price Band	The price band with a Floor Price of Rs. [●] and a Cap Price of Rs. [●], including any revision to such Floor Price or Cap Price as may be permitted by the SEBI Guidelines.
Pricing Date	The date on which our Company in consultation with the BRLMs will finalise the Issue Price.
Prospectus	The prospectus, to be filed with the RoC after pricing containing, among other things, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information.
Public Issue Account	The account opened with the Banker(s) to the Issue for the benefit of the Company, to receive monies from the Escrow Account(s) for the Issue on the Designated Date.
QIB Margin Amount	An amount representing at least 10% of the Bid Amount that QIBs are required to pay at the time of submitting their Bid.
QIB Portion	The portion of the Net Issue being at least 50% of the Net Issue or [●] Equity Shares to be mandatorily allotted to QIBs.
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds

Term	Description
	registered with SEBI, multilateral and bilateral development financial institutions, foreign institutional investors registered with SEBI, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with the IRDA, provident funds with minimum corpus of Rs. 250,000,000, pension funds with minimum corpus of Rs. 250,000,000 and the National Investment Fund.
Refund Account(s)	The account(s) opened with the Escrow Collection Bank(s), from which refunds of the whole or part of the Bid Amount, if any, shall be made.
Refund through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Registrar/Registrar to the Issue	M/s Karvy Computershare Private Limited.
Retail Discount	The difference of [●] % between the Issue Price and the differential lower price at which our Company has decided to allot the Equity Shares to Retail Individual Bidders and Eligible Employees whose Bid Amount does not exceed Rs. 100,000.
Retail Individual Bidders	Bidders (including HUFs applying through their <i>karta</i> and Eligible NRIs) who have bid for Equity Shares for an amount less than or equal to Rs. 100,000 (net of Retail Discount) in any of the Bidding options under the Issue.
Retail Portion	The portion of the Net Issue being not less than 35% of the Net Issue or [●] Equity Shares available for allocation to Retail Individual Bidder(s).
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in their Bid cum Application Forms or any previous revisions.
RHP or Red Herring Prospectus	The offer document prepared in accordance with the SEBI Guidelines and issued in accordance with Section 60B of the Companies Act, which will not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue.
SBICaps	SBI Capital Markets Limited, having its registered office at 202, Maker Tower E, Cuffe Parade, Mumbai- 400005, India.
Stock Exchanges	The NSE and the BSE.
Syndicate Agreement	The agreement dated [●] to be entered into between our Company and the members of the Syndicate, in relation to the collection of Bids.
Syndicate Member	[●].
Syndicate or members of the Syndicate	The BRLMs and the Syndicate Members.

Term	Description
TRS/ Transaction Registration Slip	The slip or document issued by any of the members of the Syndicate to a Bidder as proof of registration of the Bid.
Underwriters	The BRLMs and Syndicate Members.
Underwriting Agreement	The agreement among the Underwriters and our Company to be entered into on or after the Pricing Date.
Venture Capital Funds/VCF	Venture capital funds registered with SEBI under the Securities and Exchanges Board of India (Venture Capital Fund) Regulations, 1996 as amended from time to time.
Working Days	All days except Saturday, Sunday and any public holiday.

Industry related terms

Term	Description
ALB	Advance license benefit.
ALOP	Advance loss of profit.
API	American Petroleum Institute.
ATF	Aviation turbine fuel.
CCRU	Continuous catalytic regeneration reformer unit.
CDU	Crude distillation unit.
CBFC	Circulating bed fluidised combustion.
CNG	Compressed natural gas.
COT	Crude oil terminal.
CRZ	Coastal regulation zone.
DCU	Delayed coker unit.
DHDT	Diesel hydrotreater.
DWT	Dead weight tonnage.
EAR	Erection all risks.
EPP	Export parity price.
ESP	Electrostatic precipitator.
FCHCU	Full conversion hydrocracker unit.
FO	Fuel oil.

Term	Description
FOB	Free-on-board.
GRM	Gross refining margin.
HSD	High speed diesel.
IPP	Import parity price.
KBPD	Kilo barrels per day.
LNG	Liquefied natural gas.
LPG	Liquefied petroleum gas.
LSHS	Low sulphur heavy stock.
MBPD	Million barrels per day.
MMTPA	Million metric tonnes per annum.
MMT	Million metric tonnes.
MTPA	Metric tonnes per annum.
MW	Megawatt.
NHT	Naphtha hydrotreater unit.
OPEC	Organization of Petroleum Exporting Countries.
PESO	Petroleum and Explosive Safety Organization.
PNG	Petroleum and natural gas.
ppmw	Parts per million by weight.
SKO	Superior kerosene oil.
SPM	Single point mooring.
TMTPA	Thousand metric tonnes per annum.
STG	Steam generator.
TPP	Trade parity price.
VDU	Vacuum distillation unit.
VLCC	Very large crude oil carriers.

Other general abbreviations and terms

Abbreviation/Term	Full form/Description
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Abbreviation/Term	Full form/Description
ACIT	Assistant Commissioner of Income Tax.
AGM	Annual General Meeting.
A.O	Assessing Officer.
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
Assessment Year/AY	The period of twelve months commencing from the 1 st day of April every year.
BPL	Bharat PetroResources Limited.
BSE	Bombay Stock Exchange Limited.
BSSPL	Bharat Stars Services Private Limited.
CAG	Comptroller and Auditor General of India.
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
CENVAT	Central Value Added Tax.
CIT	Commissioner of Income Tax.
CIT(A)	Commissioner of Income Tax (Appeals).
Companies Act	The Companies Act, 1956, as amended from time to time.
Contract Labour Act	The Contract Labour (Regulation and Abolition) Act, 1970, as amended from time to time.
CST	Central sales tax.
CUGL	Central UP Gas Limited.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depository Participant	A depository participant as defined under the Depositories Act.
DIN	Director's Identification Number.
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.
EAR	Erection all risks.

Abbreviation/Term	Full form/Description
EGM	Extraordinary General Meeting.
EIL	Engineers India Limited.
EPS	Earnings per share.
Essential Commodities Act	The Essential Commodities Act, 1955.
Factories Act	The Factories Act, 1948, as amended from time to time.
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations there under and amendments thereto.
FII	Foreign Institutional Investor (as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended, registered with SEBI under applicable laws in India.
FIPB	Foreign Investment Promotion Board, Ministry of Finance, Government of India.
FVCI	Foreign Venture Capital Investor.
FY/Fiscal/Financial year/Fiscal year	The period of twelve months ended March 31 of that particular year, unless otherwise stated.
GDR	Global Depository Receipt.
GoI/Government	Government of India.
GoMP	Government of Madhya Pradesh.
HUF	Hindu Undivided Family.
ICAI	Institute of Chartered Accountants of India.
ICSI	Institute of Company Secretaries of India.
ICWAI	Institute of Cost and Works Accountants of India.
IGL	Indraprastha Gas Limited.
Indian GAAP	Generally accepted accounting principles in India.
IP	Intellectual Property.
IRDA	Insurance Regulatory and Development Authority.
IT	Income Tax.
IT Act	The Income Tax Act, 1961, as amended from time to time.
ITAT	Income Tax Appellate Tribunal.

Abbreviation/Term	Full form/Description
LSTK	Lump sum turnkey contracts.
MNGL	Maharashtra Natural Gas Limited.
MoU	Memorandum of Understanding.
MRTP Act	The Monopolies and Restrictive Trade Practices Act, 1969, as amended from time to time.
NAV	Net Asset Value.
NBFC	Non Banking Financial Company as defined under the Reserve Bank of India Act, 1934 and regulations promulgated thereunder, as amended from time to time.
NRL	Numaligarh Refinery Limited.
NSDL	National Securities Depository Limited.
NSE	The National Stock Exchange of India Limited.
p.a.	per annum.
p.m.	per month.
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent Account Number.
Petroleum Act	The Petroleum Act, 1934, as amended from time to time.
Petroleum Rules	The Petroleum Rules, 1976, as amended from time to time.
PCCKL	Petronet CCK Limited.
PGDBM	Post graduate diploma in business management.
PIL	Petronet India Limited.
Pipelines Act	The Petroleum and Mineral Pipelines (Acquisition of Right of User in Land) Act, 1962, as amended from time to time.
PLL	Petronet LNG Limited.
PLR	Prime Lending Rate.
PNG Act	The Petroleum and Natural Gas Regulatory Board Act, 2006, as amended from time to time.
Portfolio Manager	A portfolio manager registered under the Securities and Exchange Board of India (Portfolio Managers) Regulation, 1993, as amended from time to time.
RBI	The Reserve Bank of India.

Abbreviation/Term	Full form/Description
RoC/Registrar of Companies	The Registrar of Companies, Madhya Pradesh situated at 3 rd Floor, 'A' Block, Sanjay Complex, Jayendra Ganj, Gwalior, India.
RoNW	Return on Net Worth.
RoU	Right of Use.
RoW	Right of Way.
SGL	Sabarmati Gas Limited.
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended from time to time.
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	The Securities and Exchange Board of India, as constituted under the SEBI Act.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Guidelines	The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 issued by SEBI, as amended, including instructions and clarifications issued by SEBI from time to time.
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time.
Takeover Code	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time.
VAT	Value added tax.
VTPL	VI eTrans Private Limited.
U.S. GAAP	Generally accepted accounting principles in the United States of America.

CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our audited financial statements prepared in accordance with Indian GAAP, which are included in the section “Financial Statements” beginning on page 133. Our financial year commences on April 1 and ends on March 31 of the following year. Accordingly, all references to a particular financial year are to the twelve-month period ended on March 31 of that year. In this Draft Red Herring Prospectus, any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off.

There are significant differences between Indian GAAP and US GAAP. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Industry and Market Data

Unless stated otherwise, market and industry data used throughout this Draft Red Herring Prospectus has been obtained from government and third party sources, which has not been independently verified by our Company or any person related to the Issue. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions cannot be assured and accordingly, investment decisions should not be based on such information. The extent to which such market and industry data is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data.

Currency of Presentation

In this Draft Red Herring Prospectus, references to “Rupees” or “Rs.” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America.

Exchange Rates

This Draft Red Herring Prospectus contains translations of certain U.S. Dollar amounts into Indian Rupees. These have been presented solely to comply with the requirements of Clause 6.9.7.1 of the SEBI Guidelines. These translations should not be construed as a representation that such currency could have been, or could be, converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for each period indicated, information concerning the number of Rupees for which one U.S. Dollar could be exchanged at the noon buying rate in the City of New York on the last business day of the applicable period for cable transfers in Rupees as certified for customs purposes by the Federal Reserve Bank of New York. The row titled “Average” in the table below is the average of the daily noon buying rate for each day in the period.

	FY 2007	FY 2006	FY 2005
Period End			
Average	45.12	44.16	44.86
Low	42.78	43.05	43.27
High	46.83	46.26	46.45

On March 25, 2008, the noon buying rate was Rs. 39.93 per U.S. Dollar. Unless stated otherwise, all

conversions of Rupees to U.S. Dollars presented in this Draft Red Herring Prospectus are as of March 25, 2008, at this rate.

Unit of measurement of Refinery capacity- Conversion from MMTPA to KBPD:

Unless specifically mentioned otherwise, the conversion factor of one MMTPA being equal to 20 KBPD has been used in this Draft Red Herring Prospectus. This conversion may not accurately reflect over all types of crude oil and is a function of density of the specific crude oil.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue”, “would”, “will likely result”, “is likely”, “expected to”, “will achieve”, “contemplate”, “seek to”, “target”, “propose to”, “future”, “goal”, “project”, “should”, “can”, “could”, “may”, “in management's judgment” or other words or phrases of similar import or variations of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in our industry. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- No operating history of our Company;
- The timely construction of the Project, including the Refinery and the Crude Oil Pipeline;
- Our dependence over our Promoter, BPCL, with respect to the construction of the Project and subsequent operations;
- Inability to meet financial obligations under the Sanctioned Finance Loan;
- Various litigation proceedings, including litigation over the land for the Project, in which our Company is involved;
- Change in refining margins in the industry;
- General economic and business conditions in India;
- Changes in laws and regulations that apply to our clients, suppliers and the power generation and trading and construction and property development sectors; and
- Increasing competition in and the conditions of our clients, suppliers and the power generation and trading and construction and property development sectors.

For further discussion of factors that could cause our actual results to differ, see the sections “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages xvii and 186, respectively. Neither our Company, any of the Underwriters nor any of their respective affiliates has any obligation to update or otherwise revise any statements contained herein to reflect circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLMs will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

RISK FACTORS

An investment in equity securities involves a high degree of risk. The risks and uncertainties described below together with the other information contained in this Draft Red Herring Prospectus (including the restated financial statements beginning on page 134 and the audited financial statements beginning on page 163) should be carefully considered before making an investment decision in our Equity Shares. The risks described below are relevant to our Company and our business, the industry and the country in which we operate our business and the offering of Equity Shares. Additional risks, not presently known to us or that we currently deem immaterial, may also impair our ability to complete the Project or our future business operations. You should read this section in conjunction with the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operation" beginning on pages 69 and 186. If any one or some combinations of the following risks were to occur, our ability to complete the Project or our future business, results of operations and financial conditions could suffer, and the price of the Equity Shares and the value of your investment in the Equity Shares could decline. You should pay particular attention to the fact that we are incorporated under the laws of India and are subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below. See the section "Forward-Looking Statements" beginning on page xvi. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risk factors described in this section.

Internal Risk Factors

Risk Factors relating to our Company and our Business

- 1. The timely construction and commencement of commercial operations of the Project, including the Refinery, the Crude Oil Importing and Storage System and the Crude Oil Pipeline, involves many uncertainties and risks that may have a material adverse effect on our business, results of operations and financial condition.***

A key part of our strategy is dependent upon the timely completion of the Project in or around January 2010. The Project and its successful operation involve direct project management, engineering, construction, financial, environmental, commercial uncertainties and risks, including:

- the continued availability of funding pursuant to the Sanctioned Project Loan and, if required, additional financing on acceptable terms;
- reliance on third parties to construct and complete the Project, as well as on BPCL to construct and complete its Marketing Terminal and the Product Pipeline Connection;
- construction and development delays or defects;
- engineering design and technological changes;
- mobilizing the required resources, including housing and training a large workforce;
- failure to obtain necessary governmental and other approvals;
- changes in management's views of the desirability of our current plans;
- changes in market conditions;
- actions of our competitors;

- accidents, natural disasters and weather-related delays;
- our ability to obtain the remaining land required in connection with the Project;
- the transfer of certain land in the state of Gujarat and regulatory approvals from BPCL to us;
- time and cost overruns and unanticipated expenses; and
- regulatory changes.

Delays due to any of these or other uncertainties or risks may lead to time and cost overruns which could have a material adverse effect on our ability to complete the Project and our future business, operations and financial conditions.

If the Project does not commence commercial operations by January 1, 2010 and this remains unremedied for a period of 90 days, this would constitute an event of default under our Sanctioned Project Loan. Additionally, any significant delay in completing the Project may result in us commencing operations in a pricing or competitive environment for one or more of our petroleum products that differs from that which we anticipate. We have experienced delays in implementing the Project in the past. Some of these delays were on account of litigation. For example, as a result of public interest litigation filed by Halar Utkarsh Samiti, a non-government organization, in 2000 against the permission granted to us under wildlife protection laws for laying the Crude Oil Pipeline, asserting that a state government is not empowered to give such a permission, led to a delay in the Project until the Supreme Court of India granted the permission by an order dated January 19, 2004. We may experience similar or other delays in the future. If we are unable to achieve the timely construction and commencement of commercial operations of the Project, including the Refinery, the Crude Oil Importing System and the Crude Oil Pipeline, as a result of these or other risks or uncertainties, it will have a material adverse effect on our future business, results of operations and financial condition. If we are unable to complete construction and commercial operation of the Project, you may lose all of your investment in the Equity Shares.

2. We have no operating history; it is difficult to estimate our future performance.

We have no operating history from which you can evaluate our business and future prospects and viability and you should not evaluate our prospects and viability based on the performance of other refineries, including BPCL's refinery at Mumbai and other refineries promoted by BPCL. We intend to commence commercial operations of the Project in or around January 2010 and therefore our prospects must be considered in light of the risks and uncertainties encountered in evolving markets where supply and demand may change significantly in a short span of time. As a result, we cannot give you any assurance about our future performance or that our business strategy will be successful. For further information on the refining industry, see the section "Industry" beginning on page 58.

3. We will be dependent on BPCL to purchase substantially all of our Refinery's products.

Under the Off-take Agreement, we are obliged to sell BPCL substantially all of our expected production of petroleum products; however, BPCL's purchase obligation for our petroleum products is limited. Our plans for the Project are dependent upon BPCL purchasing these petroleum products, which is dependent on a variety of factors, including market demand and pricing conditions, as well as BPCL's successful completion of the Marketing Terminal and the Product Pipeline Connection. Although there exists a minimum take or pay obligation on BPCL to purchase substantially all of our petroleum products, in the event that they do not make such purchases, BPCL will only be liable to pay us an amount sufficient to cover our debt service obligations, at most. Additionally, BPCL may request a discount on all or part of such amount which we shall be obliged to grant, subject to our maintaining a minimum debt service coverage ratio of 1.30. There can be no assurances that BPCL will purchase

any of our petroleum products, and their willingness to do so may be dependent on BPCL's successful and timely completion of the Marketing Terminal and the Product Pipeline Connection.

In the event that BPCL were not to purchase our petroleum products, there can be no assurances that we will be able to find alternative purchasers of our petroleum products on commercially acceptable terms or at all.

Any material failure of BPCL to purchase our petroleum products will have a material adverse effect on our business, results of operations and financial condition.

4. The prices we will receive for our petroleum products under the Off-take Agreement, or otherwise, are subject to factors beyond our control.

Under the Off-take Agreement, the prices for substantially all of our sales of petroleum products to BPCL will be determined by prevailing industry practice, including IPP and TPP. For further details see the section "Industry – Pricing Mechanism for Petroleum Products" beginning on page 65. In India, the prevailing industry practice determining the price of sales of petroleum products are subject to numerous factors, all of which are beyond our control. The factors include:

- aggregate domestic and global demand and supply for crude oil generally, as well as the specific crude oils that we intend to use for the Refinery, and changes in such demand and supply;
- aggregate domestic and global demand and supply for petroleum products generally, as well as the specific petroleum products that we intend to produce; such as diesel and gasoline, and changes in such demand and supply;
- fluctuations in the cost for crude oil, changes in differentials between light and heavy crude oil prices and differentials between crude oil prices and prices for petroleum products;
- aggregate refining capacity in the global and domestic refining industry to convert crude oil into petroleum products generally, as well as the specific products that we intend to produce;
- pricing and other actions taken by suppliers and competitors that impact upon the market;
- continuation of any exemptions from, or any variations in Indian taxes/levies/duties on imports, purchase and sales of crude oil, petroleum products or any other items in relation to the Project;
- changes in custom duties on crude oil and products;
- price differentials for petroleum products between different geographical markets;
- changes in the cost and availability of shipping and other logistics services for crude oil and for petroleum products;
- changes by governmental authorities in the mandatory petroleum product specifications for petroleum products;
- governmental actions that restrict imports or exports or fix prices of petroleum products; and
- general political and economic conditions.

Our plans for the Project are dependent on BPCL's purchasing our petroleum products at expected prices and there can be no assurances that BPCL will do so or that the prevailing industry practice determining the price of sales of petroleum products will be consistent with our expectation. In the

event that such industry practice results in sales prices for our petroleum products that are lower than our expectations, it could have a material adverse effect on our business, results of operations and financial condition. For additional details regarding petroleum product sales prices under the Off-take Agreement, see the section “History and Certain Corporate Matters – Material Contracts – Off-take Agreement” beginning on page 96.

5. *If the Refinery fails to meet specified production levels with respect to the petroleum products covered by the Off-take Agreement, we will be liable to pay damages.*

Under the Off-take Agreement, we are obliged to sell to BPCL substantially all of our petroleum products. However, we have not begun to test the operations of the Refinery and do not intend to begin test operations until 2009. As a new facility, operations of the Refinery will be subject to various uncertainties, including those relating to its ability to process crude oil and produce petroleum products.

In the event that the Refinery is unable to produce the minimum amount of each petroleum product required by the Off-take Agreement, we may be liable to pay BPCL liquidated damages in respect of any shortfall in our production of a petroleum product. The amount of such liquidated damages could be substantial. Additionally, BPCL has the right to terminate the Off-take Agreement under certain circumstances, including in the event of our continuing failure to produce the minimum amount of each petroleum product required under the terms of the Off-take Agreement. In the event that BPCL were to terminate the Off-take Agreement, there can be no assurances that we will be able to find alternative purchasers of our petroleum products on commercially acceptable terms or at all. If we were to pay a substantial amount in liquidated damages or BPCL were to terminate the Off-take Agreement, it may have a material adverse effect on our business, results of operation and financial condition.

For further details regarding our obligations under the Off-take Agreement, see the section “History and Certain Corporate Matters – Material Contracts – Off-take Agreement” beginning on page 96 and the section “Our Business – Petroleum Product Sales and Marketing – Off-take Agreement” beginning on page 78.

6. *Our Project is designed to service the demand for petroleum products within the limited market of north and central India based on BPCL's estimates of such demand; increases in refining and conversion capacity that can economically service our target market relative to demand for petroleum products within this market could have a material adverse effect on our business, results of operation and financial condition.*

As part of our strategy, we intend to capitalize on the anticipated demand for petroleum products in the central and northern regions of India. In order to do so, we have located the Refinery in Bina in the central Indian state of Madhya Pradesh. We have also determined the anticipated product slate for the Refinery based on BPCL's estimates of supply and demand for petroleum products within the central and northern regions of India, in particular with respect to the anticipated demand for petroleum products meeting higher domestic environmental standards that we believe will be implemented. However, our competitors may decide to increase their refining capacities, upgrade the conversion and hydrotreating capacities of their refineries or take any other action which would enable them to place additional or superior petroleum products economically within BPCL's expected and targeted marketing zones. Any such events could have a material adverse effect on our business, results of operations and financial condition.

7. *Our Sanctioned Project Loan requires satisfaction of conditions precedent for additional disbursements and contains restrictive covenants and events of default which could limit our ability to undertake certain types of transactions and could adversely affect our liquidity.*

Our Sanctioned Project Loan provides for total borrowings of Rs. 63,870 million (US\$ 1,599.54 million), of which Rs. 14,154 million (US\$ 354.47 million) has been disbursed as of March 15, 2008.

We expect to fund a portion of the remaining construction and other costs of the Project through disbursements of the remaining Rs. 49,716 million (US\$ 1,245.07 million) of available borrowings under the Sanctioned Project Loan. Any future disbursements under the Sanctioned Project Loan are subject to a number of conditions precedent, including the lenders' independent engineer certifying the need for any given disbursement, our debt to equity ratio not exceeding specified levels, the absence of material adverse changes with respect to the Project, us or BPCL, among others, and confirmation from the lenders' independent engineer that the Project is on schedule and in accordance with the construction budget. There can be no assurances that we will be able to satisfy any of the conditions specified by the Sanctioned Project Loan. Additionally, the Sanctioned Project Loan contains a variety of covenants that, among other things, require us to maintain various financial ratios, and contains various events of default including the Project failing to commence commercial operations by January 1, 2010 and remaining unremedied for a period of 90 days, project costs increasing beyond specified levels or the occurrence of material adverse changes with respect to the Project, us or BPCL, among others. If we fail to satisfy the covenants of, or an event of default occurs under, the Sanctioned Project Loan we will not be able to obtain disbursements of the remaining availability under the Sanctioned Project Loan and the maturity of our existing borrowings under the loan could be accelerated. In the event that we are unable to obtain disbursement of the remaining availability under the Sanctioned Project Loan or if the maturity of our existing borrowings under the Sanctioned Project Loan is accelerated, we may be required to obtain new financing to complete construction of the Project. Refinancing may not be available on commercially acceptable terms or at all.

In the event that we have not completed construction of the Project, we could also be required to dispose of our assets to repay all or a portion of our indebtedness under the Sanctioned Project Loan.

Further, the land owned by our Company in Madhya Pradesh on which the Refinery and ancillary facilities are proposed to be constructed has been mortgaged in favor of our lenders in accordance with the terms of our Sanctioned Project Loan.

Additionally, the Sanctioned Project Loan contains a number of restrictive covenants that require us in many circumstances to obtain the prior consent of our lenders to take certain actions, including creating security interests, engaging in mergers, consolidations and sales of assets, declaration of dividends, incurrence of additional indebtedness, making investments, alteration of our capital structure and capital expenditures, making disposals and making changes to the budget for the Project, the documents relating to the Project and our constitutional documents, and provide the lenders with the right to appoint a nominee director on our board of directors, which right is extended to two nominees, in addition to any nominee director already appointed, upon the occurrence of an event of default. Such covenants will place restrictions on us which may, among other things:

- increase our vulnerability to general adverse economic and industry conditions;
- limit our ability to pursue our growth plans;
- limit our ability to pay dividends; and
- limit our flexibility in planning for, or reacting to, changes in our business and our industry, either through the imposition of restrictive financial or operational covenants or otherwise.

Further, one of the condition precedents to the Sanctioned Project Loan is that BPCL is required to provide a sponsor undertaking whereby BPCL undertakes to fund cost overruns in respect of the Project by up to 10% of the adjusted core capital cost of the Project. Under the terms of such undertaking, BPCL may, with the consent of the lenders, hold less than 50% of our Company's equity share capital provided that it agrees and undertakes to continue to (i) exercise management control over our Company until all our obligations under the Sanctioned Project Loan have been fulfilled; and (ii) hold such number of equity shares as would enable BPCL to exercise an affirmative vote with respect to all decisions affecting our Company's performance of its obligations under any documents relating to the Project or prevent the passing of any special resolutions affecting our Company's performance of

its obligations under relevant documents relating to the Sanctioned Project Loan. Any breach of this undertaking by BPCL will result in an event of default under the Sanctioned Project Loan.

For further details regarding the Sanctioned Project Loan, see the section "Financial Indebtedness" beginning on page 200.

8. *We may not be able to meet our financial obligations under the Sanctioned Project Loan.*

Our ability to meet our debt service obligations and to repay our outstanding borrowings under the Sanctioned Project Loan and any future borrowings will depend primarily upon the cash flow generated by our refining business once we commence commercial operations. There can be no assurances that we will generate sufficient cash to enable us to service our borrowings under the Sanctioned Project Loan or any future borrowings, comply with covenants relating to any such borrowings or fund other liquidity needs.

If we fail to meet our debt service obligations or financial covenants, the relevant lenders could declare us in default, accelerate the maturity of our obligations or take over the Project. In the event that the maturity of our existing or future borrowings are accelerated, we would likely be required to obtain new financing to repay such indebtedness. Refinancing may not be available on commercially acceptable terms or at all. We could also be required to dispose of our assets to repay all or a portion of such indebtedness. Our failure to meet our debt service obligations and to repay our outstanding borrowings under the Sanctioned Project Loan and any future borrowings could have a material adverse effect on our business, results of operation and financial condition.

For additional details regarding the Sanctioned Project Loan, see the section "Financial Indebtedness" beginning on page 200.

9. *Once we commence commercial operations, we may require additional financing for working capital and capital expenditures and such additional financing may not be available on commercially reasonable terms or at all.*

Additional borrowings will cease to be available to us under the Sanctioned Project Loan no later than twelve months from the date the Refinery commences commercial operations. Prior to or after this time we may require additional financing for our working capital needs, as well as our future capital expenditures. There can be no assurances that any such financing will be available to us on commercially reasonable terms or at all. In the event we are unable to procure such financing on commercially reasonable terms, we may be unable to procure crude oil, properly maintain the Refinery, maintain the appropriate level of human resources or undertake projects that would be necessary or beneficial for our business, among other things. If we fail to obtain additional financing on commercially reasonable terms, it could have a material adverse effect on our business, results of operation and financial condition.

10. *We are relying on BPCL's expertise to implement the Project and we will rely on BPCL for crude services, including hedging and risk management services, in order to commence commercial operations, BPCL and NRL are engaged in businesses that are similar to ours and may compete with us in the future.*

We are relying on the expertise of BPCL generally, and that of the senior managers, executive officers and employees that it deposes to us to implement the Project and for the commercial operation of the Refinery. We have also entered into contracts with BPCL for the provision of, among other things, services for all of our crude oil sourcing, including hedging and risk management. Since BPCL will have multiple roles with respect to us, including as a service provider and a principal shareholder, we may be limited in our ability to negotiate with BPCL and its affiliates and the agreements that we enter into with BPCL and its affiliates may not be on the most favorable terms for us. As BPCL also operates other refinery complexes, BPCL and its affiliates, including NRL, may compete directly with

us in the future, which could lead to a conflict of interest. In the event that we have a conflict of interest with BPCL or its affiliates with respect to their provision of services to us or otherwise, the resolution of such a conflict may not be on the most favorable terms to us.

Conflicts of interest may arise between us and BPCL and/or its affiliates, including NRL, which conduct substantially the same business as we intend to, in a number of areas including:

- direct or indirect competition with respect to the purchase and allocation of crude oil and other feedstocks;
- direct or indirect competition with respect to the marketing and sales of petroleum products;
- deputing managers and other employees as needed by us;
- business combinations involving our company; and
- business opportunities that may be attractive to both BPCL and us.

Neither BPCL nor NRL has assured us that, in the case of a conflict of interest, it will not prioritize its own business interests over our interests.

11. We are dependent on our Promoter for providing us with land and certain infrastructure facilities in relation to the implementation of our Project.

Our Promoter has acquired the land for the COT and related facilities in the state of Gujarat comprising approximately 186.21 hectares by way of freehold for the construction of the crude oil tank farm and the approach road for the tank farm. Under the terms of the freehold, our Promoter cannot let such land to us and therefore, our Promoter has provided us with a no-objection certificate to enable us to use and construct the COT and related facilities. Our Promoter may withdraw, refuse to renew or terminate the no-objection letter. In addition, such land has been mortgaged in favor of our lenders in accordance with the terms of our Sanctioned Project Loan. Furthermore, there can be no assurances that such land will be transferred to us in the future or that we will be able to utilize such land for our purposes which may have a material adverse effect on the implementation of our Project.

The proposed Marketing Terminal will be constructed by BPCL on land owned by it in Bina, Madhya Pradesh. We intend to enter into a lease agreement with BPCL for the use of the Marketing Terminal and there can be no assurances that such lease agreement will be entered into on terms favorable to us or at all.

12. We have not yet applied for or received certain statutory approvals that will be required in connection with the construction and operation of the Project. We could incur substantial costs or be unable to commence commercial operations or experience disruptions in our refining business if we cannot obtain or maintain necessary permits and authorizations.

The construction and operation of the Project requires numerous approvals, licenses, registrations and permissions under various laws and regulations, including environmental and health and safety laws and regulations. Although we believe that we or BPCL currently have most of the necessary approvals, licenses, registrations and permissions currently required for the construction of the Project, including consents to construct from the Indian states of Madhya Pradesh and Gujarat, there can be no assurances that we will be able to continue to maintain such approvals, licenses, registrations and permissions.

Moreover, the ongoing construction and ultimate operation of the Project, including its various components, will require us to obtain additional approvals, including consents to operate from the Indian states of Madhya Pradesh and Gujarat, and there can be no assurances that we will be able to obtain them in a timely manner, on reasonable terms or at all. In addition, such approvals may be subject to fulfillment of certain conditions and subject to revocation, renewal or modification and can

require operational changes, which may involve significant costs or delays. Failure to obtain such approvals or a violation of the conditions of approval or of other legal or regulatory requirements could result in substantial fines, sanctions, permit revocations, injunctions and consequently we could incur substantial costs or be unable to commence commercial operations of or experience disruptions to our refining business. For more information regarding such approvals, see the section “Government and Other Approvals” beginning on page 271.

13. *The amount we will be required to pay in connection with our acquisition of land and RoU / RoW for the Project is uncertain.*

In connection with our implementation of the Project, we have acquired land and RoU / RoW, directly or through BPCL, under relevant land acquisition laws in the Indian states of Gujarat and Madhya Pradesh. There are various claims/litigation proceedings that have been filed against us by the landowners, claiming additional compensation in relation to the acquired land and rights of use. These landowners have alleged that at the time of acquisition of the land, the land had been undervalued and that the compensation paid by us was not appropriate and have accordingly demanded additional compensation. As on the date of filing the Draft Red Herring Prospectus, there were 64 cases relating to such land disputes pending against our Company and BPCL with respect to the Project before the courts in Gujarat and Madhya Pradesh. To the extent that we are required to pay additional compensation in connection with our acquisition of land for the Project in excess of that which we had anticipated, it could adversely affect the cost of the Project, which could have a material adverse effect on our business, results of operation and financial condition.

Further, in the event the outcomes of these proceedings are decided against us, we will be required to pay such additional amounts of compensation to the landowners which could have a material adverse effect on our business, results of operation and financial condition.

For further details on project related litigation, see the section “Outstanding Litigation and Material Developments – Project related Litigation” beginning on page 209.

14. *Our Company is also involved in certain other legal and litigation proceedings that, if determined against us, could have a material adverse effect on our business, results of operations and financial condition.*

We are defendants in a number of legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and our liabilities. We cannot assure you that these legal proceedings will be decided in our favor. Decisions in such proceedings adverse to our interests may have a material adverse effect on our business, results of operations and financial condition. The table below sets forth pending litigation proceedings to which we are party.

Type of Matters	Number of cases
Civil Proceedings	3 civil proceedings filed against us, in relation to arbitration on dispute over invoices raised. 1 civil proceeding, in appeal, filed against us in relation to alleged wrongful termination of an employee.
Tax Proceedings	7 tax proceedings, including appeals, filed against us in relation to assessment proceedings.

For further details on these legal proceedings, see the section “Outstanding Litigation and Material Developments” beginning on page 205.

15. *There are certain proceedings pending in various courts and authorities at different levels of adjudication involving our Promoter and our Promoter Group companies.*

Our Promoter

The total number of cases against our Promoter involving an amount less than Rs. 10,000,000 is 2,545 and the aggregate amount under consideration in such cases is Rs. 1,123,300,000. The total number of cases initiated by BPCL involving an amount less than Rs. 10,000,000 is 492 and the aggregate amount under consideration in such cases is Rs. 995,600,000.

There are 455 cases with respect to income tax, excise, customs, service tax and sales tax/value added tax pending against our Promoter before various courts/tribunals/authorities. The total amount under consideration in such cases is Rs. 29,805,673,000.

The table below sets forth the cases involving our Promoter in which the amount of the claim is Rs. 10,000,000 or more.

Type of Matters	Number of cases
Arbitration Proceedings	21 arbitration proceedings, including appeals.
Eviction Suits	15 eviction suits, including one appeal by our Promoter.
Land Acquisition/Compensation Proceedings	7 land acquisition/compensation proceedings, including appeals by our Promoter.
Money Suits	4 money suits, including appeals by our Promoter.
Writ Petitions	3 writ petitions.

Further, there are 22 criminal cases, 11 contempt petitions, 1 proceeding under the MRTP Act, 14 cases relating to weights and measures and 4 proceedings in relation to, *inter alia*, payment of amounts under contract and refund of monies given for purchase of certain products involving BPCL pending before various courts and authorities in India.

Our Promoter Group

IGL

There are a total of 70 cases initiated against IGL involving an amount of less than Rs. 10,000,000, out of which the consideration for one arbitration case has been quantified as Rs. 8,258,951 and the consideration for the remaining cases cannot be quantified.

The cases against IGL in which the amount under consideration is Rs. 10,000,000 or more are given below:

Type of Matters	Number of cases
MRTP Proceedings	1
Tax Proceedings	2

PLL

The total number of cases against PLL involving an amount less than Rs. 10,000,000 is 8 and the aggregate amount under consideration in such cases is Rs. 2,600,000. There are no litigation proceedings exceeding a sum of Rs. 10,000,000 initiated against PLL.

NRL

The total number of cases against NRL involving an amount less than Rs. 10,000,000 is 3 and the aggregate amount under consideration in such cases is Rs. 9,870,603.

The table below sets forth the cases against NRL involving an amount of Rs. 10,000,000 or more.

Type of Matters	Number of cases
Writ Petitions	5

PCCKL

The total number of cases against PCCKL involving an amount less than Rs. 10,000,000 is 23 and the aggregate amount under consideration in such cases is Rs. 1,260,000. There are no litigation proceedings exceeding a sum of Rs. 10,000,000 initiated against PCCKL.

VTPL

There is 1 case filed against VTPL involving an amount less than Rs. 10,000,000 and the amount under consideration in the case is Rs. 482,548. There are no litigation proceedings exceeding a sum of Rs. 10,000,000 initiated against VTPL.

For further details on these legal proceedings and legal proceedings initiated by the Promoter Group companies, see the section "Outstanding Litigation and Material Developments" beginning on page 205.

16. Certain of our Promoter Group companies have incurred losses in the past.

The table below sets forth certain of our Promoter Group companies which have incurred losses from fiscal 2005 to fiscal 2007.

(in Rs. million)

SI No.	Promoter Group Company	Profit After Tax		
		Fiscal 2005	Fiscal 2006	Fiscal 2007
1.	PLL	(284.45)	1,949.26	3,132.53
2.	PIL	(14.74)	(19.02)	(129.14)
3.	PCCKL	(22.85)	(78.86)	(65.62)
4.	VTPL	(0.53)	(2.33)	(1.52)
5.	CUGL	N.A.	N.A.	(4.28)

17. Contingent liabilities could adversely affect our financial condition.

The table below sets forth our contingent liabilities as of December 31, 2007 as disclosed in our audited financial statements.

Particulars	Amount (in Rs. million)
Claims against the Company not acknowledged as debts	
Additional amount claimed towards RoU/ RoW.	2.51
Additional amount claimed towards COT land by land owners which would add to cost of land to the extent payment is made (excluding solatium, interest, and cost of proceeding for the cases).	296.79
Additional amount claimed towards land for sectionalizing valve station in Gujarat.	0.63
Additional amount claimed towards the Refinery's land at Bina.	0.31
Amounts claimed by contractors in respect of which arbitration awards/ High Court judgments have been obtained in favor of the Company, against which the contractors have challenged the arbitration awards / High Court judgments in the High Courts/ Supreme Court.	433.87
Claims against the Company not acknowledged as debts	
Disputed income tax demand.	1.73
Bank guarantees.	8.30

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	63,277.99
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If a significant portion of these liabilities materialize, it could have a material adverse effect on our business, financial condition and results of operations.

18. Following this Issue, we will continue to be controlled by BPCL, our Promoter and principal shareholder, and our other shareholders may not be able to affect the outcome of shareholder voting. The interests of BPCL as our Promoter may conflict with your interests as a shareholder.

As on the date of filing the Draft Red Herring Prospectus, BPCL, our Promoter and principal shareholder, holds 50% of the Equity Shares in our Company and intends to hold 48% of our post-Issue paid-up equity share capital. The Articles of Association confer certain rights on BPCL relating to the governance of the Company, including the appointment of at least two directors on the Board, one of whom shall not be liable to retire by rotation and BPCL also has the right to appoint the Managing Director, who shall not be liable to retire by rotation. As a result, BPCL may exercise substantial control over us and may have significant influence in electing and removing our Directors and/or determining the outcome of proposals for corporate action requiring approval of our Board of Directors or shareholders, such as lending and investment policies, revenue budgets, capital expenditure, dividend policy and strategic acquisitions. BPCL will be able to influence our major policy decisions, including our overall strategic and investment decisions, by controlling the election of our Directors and, in turn, indirectly controlling the selection of our senior management, determining the timing and amount of any dividend payments, approving our annual budgets, deciding on increases or decreases in our share capital, determining our issuance of new securities, approving mergers, acquisitions and disposals of our assets or businesses, and amending our Articles of Association.

This control could also delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from obtaining control of our Company even if it is in the best interests of our Company. The interests of BPCL could conflict with the interests of our other shareholders and BPCL could make decisions that materially adversely affect your investment in the Equity Shares.

Additionally, when BPCL's post-Issue shareholding falls below 50%, we will be required under the Sanctioned Project Loan to amend our Memorandum and Articles of Association to include the right of BPCL to exercise an affirmative vote and prevent any special resolutions, in relation to any matter affecting the performance of our obligations relating to the Project and the Sanctioned Project Loan. The interests of BPCL may be different from our interests or the interests of our other shareholders. BPCL is a public sector undertaking and, as such, may favor or otherwise be required to take actions that may not be consistent with its or our commercial objectives. As a result, BPCL may take action with respect to our business that may not be in our or our other shareholders' best interests.

19. We intend to allot Equity Shares to our Promoter and the GoMP at a price lower than the Issue Price after the filing of this Draft Red Herring Prospectus.

Pursuant to a resolution passed at an EGM held on March 6, 2007, the shareholders of our Company authorised the issue of Rs. 9,000 million convertible zero coupon debentures to BPCL. These debentures were not allotted. Subsequently, BPCL, by a board resolution dated January 31, 2008, and our Company, by a Board resolution dated January 18, 2008, authorised the conversion of the Debenture Application Money into Share Application Money for the issuance of Equity Shares to BPCL. Such a decision was also authorised by a resolution passed at an EGM held on January 23, 2008. After allocation of funds required for the issuance of the Equity Shares necessary for BPCL to meet the Promoter Contribution, if any Share Application Money remains to be utilized, BPCL will be issued Equity Shares at par against such remaining Share Application Money prior to the filing of the Red Herring Prospectus with the RoC. The Equity Shares required by BPCL to comply with the minimum Promoter Contribution will be allotted at the time of Allotment. For further details on such issuance of Equity Shares to BPCL, see the section "Capital Structure" beginning on page 30.

Further, pursuant to the GoMP MoU, we were required to allot Equity Shares to the GoMP worth Rs. 269.00 million in relation to the cost of the land allotted to BPCL by the GoMP which land was

subsequently transferred to our Company. The GoMP MoU stated that such issuance is required to be done at a price not more than the price at which our Equity Shares have been previously allotted to BPCL and OOCL, i.e., Rs. 10. Accordingly, 26,900,000 Equity Shares will be allotted to the GoMP prior to the filing of the RHP with RoC. For further details on the GoMP MoU, see the section “History and Certain Corporate Matters – Material Contracts - Memorandum of Understanding with the GoMP” beginning on page 94.

20. In the event that our Promoter, the GoI, the GoMP, other state governments, government companies or corporations owned and controlled by the GoI or any state government, in future, hold in aggregate, 51% or more of our paid-up equity share capital, our Company may need to comply with certain audit procedures under Section 619 of the Companies Act.

Our Promoter, BPCL, is a government company and currently holds 50% of our paid-up equity share capital. BPCL and GoMP, in aggregate, intend to continue holding approximately 50% of our post-Issue paid-up equity share capital.

Post listing of the Equity Shares, in the event the joint shareholding of BPCL, the GoMP, the GoI, one or more state governments, one or more government companies or corporations owned and controlled by the GoI or any state government, exceeds 51% of our paid-up equity share capital, the provisions of Section 619B of the Companies Act will become applicable to our Company.

Accordingly, our Company will be required to comply with the provisions of Section 619 of the Companies Act, pursuant to which our statutory auditor will be appointed by the CAG. Further, the CAG shall have the power to instruct the auditor so appointed in relation to any matter regarding the performance of his functions and direct the manner in which our accounts will be audited. The CAG shall also have the power to authorize such person(s) as he deems fit to conduct a test audit or a supplementary audit of our accounts. In this regard, the CAG may direct us to furnish any information to the person(s) authorized to conduct such audit and may also direct such person(s) to furnish any information to him. Further, the CAG shall have the power to comment upon or supplement our audit report.

21. We may become a government company within the meaning of Section 617 of the Companies Act, in case the shareholding of our Promoter is more than 50% of our paid-up equity share capital.

Our Promoter, BPCL, is a government company and currently holds 50% of our pre-Issue equity share capital. Our Promoter by a board resolution dated January 31, 2008 and our Company by a Board resolution dated January 18, 2008, authorised the further issuance of Equity Shares to BPCL on a preferential allotment basis, prior to the filing of the Red Herring Prospectus with the RoC. Consequently, the shareholding percentage of BPCL in our Company may become more than 50% until such time as Allotment takes place. For further details on such issuance of Equity Shares to BPCL, see the section “Capital Structure” beginning on page 30.

In the future if we become a subsidiary of BPCL, we shall become a government company within the meaning of Section 617 of the Companies Act. In such event, we shall be required to comply with the audit procedure specified in Section 619 of the Companies Act. Further, we may also become subject to rules and guidelines framed by the Department of Public Enterprises. Such guidelines provide for, *inter alia*, the composition of the board of directors, the appointment, dismissal and compensation of employees as well as budgeting and capital expenditure. We will also be required to refer disputes with other public sector enterprises and government departments to a committee of government secretaries for mediation before a claim can be brought in the court of law, which would limit our ability to take legal action in the event of a dispute between and another public sector enterprise, including BPCL, or between us and the GoI or GoMP.

Press Note 5 of 2008 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India states that foreign direct investment (“FDI”) in a public sector undertaking engaged in the petroleum refining sector will be permitted up to 49% of its issued and paid-up share capital with the prior approval of the Foreign Investment Promotion Board (the “FIPB”). Accordingly, in the event our Promoter’s shareholding in our Company temporarily exceeds 50% of our paid-up share capital prior to Allotment, we will become a government company under

Section 617 of the Companies Act and may be required to obtain the prior approval of the FIPB for permitting investments by foreign investors in the Pre-IPO Placement and the Issue. For further details on the extant FDI policy applicable to the petroleum refining sector, see the section “Regulations and Policies in India” beginning on page 85.

Additionally, as a government company, we may be required to undertake social responsibility. This in turn may not be consistent with our commercial objectives and may have a material impact on our business and financial condition..

22. We are considering a Pre-IPO Placement of Equity Shares with certain investors and the Net Issue would be reduced to the extent of such Pre-IPO Placement

Our Company is considering a Pre-IPO Placement of Equity Shares with certain investors. The Pre-IPO Placement shall be made at the discretion of our Company. We will complete the issuance of Equity Shares for the Pre-IPO Placement prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Net Issue would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post-Issue paid up equity share capital of our Company.

At present we are eligible for the Issue pursuant to Clause 2.2.2 of the SEBI Guidelines wherein the minimum Issue size to the public would not be less than 25%. Further at least 50% of the Net Issue shall be allocated to Qualified Institutional Buyers, not less than 15% of the Net Issue shall be available for allocation to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders, on a proportionate basis.

If, as a result of the Pre-IPO Placement, the minimum Issue size falls below 25%, post-Issue paid up equity share capital of our Company, the Issue will be made under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 with a minimum Issue size of at least 10% wherein at least 60% of the Net Issue shall be allocated to Qualified Institutional Buyers, not less than 10% of the Net Issue shall be available for allocation to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation to Retail Individual Bidders, on a proportionate basis. For further details of the Pre-IPO Placement see the section “Capital Structure” beginning on page 30.

23. The proposed preferential allotment of Equity Shares to our Promoter, BPCL has not been approved by our shareholders yet.

In terms of a resolution passed at our Board meeting held on March 20, 2008, it has been resolved that post the allotment of the Equity Shares against the Share Application Money of Rs. 9,000 million to BPCL, if the shareholding of BPCL in our Company along with that of the GoMP is diluted below 50%, BPCL will subscribe further for such number of Equity Shares at a price not less than the Issue Price pursuant to a preferential allotment such that its post Issue shareholding along with the GoMP is at least 50%.

The entire amount towards such preferential allotment shall be brought in at least one day prior to the opening of the Issue. However, an amount up to Rs. 5,000 million may be raised by us from BPCL in advance, as share application money, towards such preferential allotment, prior to the filing of the RHP with RoC. Such amount would be utilised towards meeting the funding requirements of our Project and to ensure implementation of our Project in accordance with the schedule.

Our shareholders have not yet approved the said preferential allotment, as on the date of filing this Draft Red Herring Prospectus. For further details of the proposed preferential allotment refer to the section “Capital Structure” beginning on page 30.

24. The exemptions and benefits provided by the GoMP are for a fixed period and there is no guarantee that we may be able to obtain similar benefits in the future.

Under the GoMP MoU and the supplemental memorandum of understanding dated December 6, 2007 with the GoMP, the GoMP has agreed to provide the following benefits to our Company:

- an annual interest free loan with a ceiling of Rs. 2,500 million per year for a period of 15 years from the date of first sale of our petroleum products, subject to a maximum of Rs. 37,500 million to offset our value added tax payments for the sale of our petroleum products;
- an exemption for up to Rs. 37,500 million in central sales tax on the inter-state sale of our petroleum products for a period of 15 years from the date of commencement of commercial production;
- an exemption from entry tax on crude oil required by the Refinery, sourced from outside the State of Madhya Pradesh for a period of 15 years from date of commercial production at the Refinery;
- an exemption until March 31, 2009 from entry tax on material, machinery and equipment required in the Project during the Project implementation period; and
- an exemption until March 31, 2009 on works contracts tax or sales tax on transfer of goods under works contract during the Project implementation period.

We cannot assure you that the GoMP will extend the period of availability for such tax benefits and if such tax benefits become unavailable, our business, financial condition and results of operations could be materially and adversely affected.

25. We have certain obligations, and granted certain rights, to the GoMP in connection with the tax-related benefits and financial concessions we expect to receive from the GoMP.

Under the memoranda of understanding we have entered into with the GoMP in connection with the Project, the GoMP has the right:

- of first refusal on naphtha produced by the Refinery;
- to cause us to guarantee certain bonds it may issue;
- to appoint two directors to our board; and
- to be issued 269,000,000 Equity Shares of our Company at a price not higher than the price at which the Equity Shares have been previously issued to BPCL and OOCL, i.e., Rs. 10.

Additionally, under the GoMP MoU, we are obligated to:

- recruit persons domiciled in the state of Madhya Pradesh in certain categories to the extent of 60% of their entry-level positions in these categories;
- require our contractors to employ local unskilled laborers, including after we have commenced commercial production;
- guarantee the repayment of any funds that the Madhya Pradesh Audyogik Kendra Vikas Nigam borrows in respect of a project for developing an industrial area in Bina; and
- construct a hospital and a school for its employees.

The exercise of these rights by the GoMP, or our fulfillment of these obligations, could have an adverse affect on our business, results of operation or financial condition. Further, if we fail to fulfill our obligations under the memoranda of understanding, there can be no assurance that the Government of Madhya Pradesh will not withdraw the tax benefits and exemptions granted to our Company.

26. *We are required to guarantee the repayment of certain bonds issued by the GoMP, which if enforced against us would have a material impact on our future financial condition and results of operations.*

Under the GoMP MoU, the GoMP has agreed to provide us with financial assistance including an annual interest free loan to offset the VAT on the sale of petroleum products by us. The financial assistance is subject to a ceiling of Rs. 2,500 million every year for a period of 15 years beginning from the date of first sale of all petroleum products at the Refinery. In order to mitigate any shortfall in accruals as a result of such financial assistance, the GoMP has the right to issue bonds in the name of its nominated agency in the market at a price equivalent to the financial assistance. These bonds will be redeemable after 15 years from the date of issuance and the GoMP shall provide a guarantee to its nominated agency for the principal amount and interest payable on the bonds in the first fifteen years from the commercial production at the Refinery. Under the terms of the GoMP MoU, we are obliged to provide a guarantee to such a nominated entity for the principal amount of the bonds for the first 15 years of the bonds and the payment of interest on the bonds from the 16th year onwards after the commercial production of the Refinery until the maturity of such bonds.

In the event that there is a default on the repayment of the bonds, and the guarantee is invoked against GoMP or us this may result in a reduction in the value of the financial assistance being granted to us and consequently, adversely affect our financial condition and results of operations. For further details on the GoMP MoU refer to the section “History and Certain Corporate Matters” beginning on page 89.

27. *We may incur substantial additional expenditure in the event that we elect to upgrade or modify or increase the capacity of the Refinery after it commences commercial operations and such expenditures may not yield the expected returns.*

We believe the configuration of the Project could accommodate future expansion of the Refinery's capacity. However, implementing any such expansion would require substantial additional expenditure. We may also incur substantial additional expenditure in the event that we elect to upgrade or modify the Refinery to produce higher quality or a different slate of petroleum products. There can be no assurances that any such expenditure will yield those returns that we anticipate. Additionally, any such upgrade, modification, or increase could lead to an increase in our levels of indebtedness.

28. *Natural disasters could have a material adverse effect on our business, results of operation and financial condition.*

Our ability to complete the Project and commence commercial operations, as well as to conduct successfully those operations, depends on our ability to protect the Refinery, the Crude Oil Importing and Storage System and the Crude Oil Pipeline against damage from fire, earthquakes, floods, storms, power loss and similar events and construct facilities that are not vulnerable to the effects of such events. The occurrence of a natural disaster or other anticipated problems at our proposed facilities, including the Refinery, the Crude Oil Importing System and the Crude Oil Pipeline, could cause interruptions in the construction of the Project or its subsequent operations.

In particular, the state of Gujarat, where our proposed Crude Oil Importing System and a portion of our Crude Oil Pipeline is to be located, has experienced severe earthquakes and cyclones in the past. Any damage or failure to the Project resulting from natural disasters or otherwise could cause interruptions in the construction or operation of the Project, which could have a material adverse effect on our business, results of operation and financial condition.

29. *Our insurance may not be adequate to protect us against all potential losses to which we may be subject.*

We have in place erection all risks, third party liability, advance loss of profit and marine risks insurance coverage in respect of the Project subject to certain exclusions and deductibles. We expect to obtain a customary operations insurance policy for the Project once we commence commercial operations covering damage as well as third-party liability insurance, which we believe is in accordance with relevant regulations and customary industry practices in India. However, the extent

and amount of our existing or future insurance coverage may be less than the replacement cost of all covered property and may not be sufficient to cover all financial losses that we may suffer. Also, our transportation of crude oil, and other feedstocks and petroleum products will be exposed to potential vessel accidents and spills. Although we maintain marine cargo insurance policies in respect of our plant and machinery, and equipment required for the Project, the quantum of such insurance may not be adequate to compensate for any financial losses suffered by us. Further, there are many events that would expose us to losses or third party liabilities, including war and nuclear events that could cause significant damage to our operations, for which we are not insured or not fully insured. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our business, results of operations and financial condition.

In addition, our policy of covering third-party risks through contractual limitations of liability, indemnities and insurance may not always be effective. Our third party contractors may not have adequate financial resources to meet their indemnity obligations to us. Losses may derive from risks not addressed in our indemnity agreements or insurance policies. It may not be possible to obtain adequate insurance against some risks on commercially reasonable terms. Failure to effectively cover ourselves against engineering and design risks for any of these reasons could expose us to substantial costs and potentially lead to material losses. Although certain of our agreements with third party contractors for construction and other works in relation to the Refinery require them to maintain insurance in respect of items such as construction equipment, employer's liability and workers' compensation, and motor vehicles, there can be no assurance that such contractors will maintain adequate insurance or all, and that any liability incurred by them will not devolve upon us.

30. Our Promoter is actively involved in the management of other business operations in our Promoter Group, which may take time and attention away from its management of our business.

Our Promoter is actively involved in our management as well as of other companies in our Promoter Group having similar lines of business as ours. Attention to the other Promoter Group companies may distract or dilute our Promoter's attention from our business, which could adversely affect our results of operations and financial condition.

31. We are dependent on senior executives and other key members of management of BPCL to complete the Project and our business strategy.

We depend on the continued employment and performance of senior executives and other key directors and employees of BPCL, some of whom may be deputed to us from time to time. If any of these individuals resign or become unable to continue in his or her present role and is not adequately replaced, our business operations and our ability to successfully complete the Project and implement our business strategies could be materially affected.

32. Hiring key management personnel and employees in requisite numbers is required to successfully complete the Project and conduct our future operations.

The successful completion of the Project and conduct of our future operations requires us to hire approximately 500 employees, including key management personnel, to carry out our day-to-day operations. We may also need to train a portion of the large construction workforce for the implementation of the Project. Our inability to recruit and retain key management personnel as well as the required work force in a timely manner will adversely affect our business, results of operations and financial condition.

33. Our technology licenses may infringe third-party intellectual property rights.

The implementation and operation of the Project requires us to license intellectual property rights from third parties and our operations are dependent upon our continued ability to utilize such intellectual property. Under the terms of our license agreements, such third parties have agreed to notify us of any claims in respect of infringement of intellectual property rights against them or against us. Subject to conditions and limitations specified in the license agreements, the licensors will defend such claims at


their own cost and will indemnify us from any damages or other sums in relation to such claims. In the event that our use of intellectual property rights in connection with the Project breaches third party intellectual property rights, we could be required to pay such third parties monetary damages or suspend our use of the relevant intellectual property. There can be no assurances that the indemnity provisions in our intellectual property licenses will adequately compensate us for any monetary damages we could be required to pay or that we would be able to identify and implement alternative intellectual property.

34. *Our registered and corporate offices are located on premises owned by our Promoter for which we have no formal right of occupation.*

Our corporate office in Mumbai and registered office in Bhopal, Madhya Pradesh are located on premises owned by BPCL and we do not enjoy leasehold or other rights to such premises.

There can be no assurance that an agreement will be entered into between BPCL and us for such use and that the terms of such agreement will be on terms favorable to us.

35. *We do not own the “” logo, and our future ability to use the logo, name and trademark may be impaired.*

The logo of our Company, i.e., “” is not registered in our name. This logo belongs to our Promoter and we do not have any formal arrangements with our Promoter. There can be no assurance that our Promoter will not take any action which may prevent us from using this logo in connection with our business. Also, we have not registered our corporate name “Bharat Oman Refineries Limited” and consequently do not have the benefit of the statutory protections afforded to registered trademarks.

Further, under our Articles of Association, OOCL, under certain conditions, has the right to cause us to cease using the word “Oman” as a part of our corporate name and in connection with our business.

36. *Our Company has entered into agreements with related parties.*

We have entered into a number of transactions with related parties including our Promoter. Such transactions or any future transactions with related parties may potentially involve conflicts of interest and impose certain liabilities on our Company. For detailed information on the related party transaction, see the sections “Financial Statements” and “Related Party Transactions” beginning on respectively, pages 133 and 131.

37. *In the past, our auditor's reports on our statutory audited financial statements contain qualifications.*

Our auditor's reports on statutory audited financial statements contain qualifications with respect to the accounting of expenses incurred by BPCL, which amount has not been quantified. For further details see the section "Auditor's Qualifications and Treatment in Restated Financial Information", which appears in Annexure to our Audited Financial Statements, beginning on page 163.

Risk Factors relating to our Industry

38. *Changes in refining margins in the refining industry may have a material adverse effect on our business, results of operations and financial condition.*

Upon the commencement of the commercial operations of the Refinery, our financial results will be affected by the price differential, or margin, between the cost of crude oil and other feedstocks and the sale prices for petroleum products. The crude oil and feedstock costs and the price at which we can ultimately sell our petroleum products will depend upon a variety of factors beyond our control.

Historically, refining margins have been volatile and are likely to continue to be volatile in the future. Future volatility in refining margins could have a material adverse effect on our business, results of operations and financial condition. Factors that may affect our refining margins in the future include:

- the prevailing industry practice determining the price of sales of petroleum products in India;
- aggregate domestic and global demand and supply for crude oil generally, as well as the specific crude oils that we intend to use for the Refinery, and changes in such demand and supply;
- aggregate domestic and global demand and supply for petroleum products generally, as well as the specific petroleum products that we intend to produce, such as diesel and gasoline, and changes in such demand and supply;
- fluctuations in the cost for crude oil, changes in differentials between light and heavy crude oil prices and differentials between crude oil prices and prices for petroleum products;
- aggregate refining capacity in the global and domestic refining industry to convert crude oil into petroleum products generally, as well as the specific petroleum products that we intend to produce;
- pricing and other actions taken by suppliers and competitors that impact the market;
- continuation of any exemptions from Indian taxes/levies on purchase and sales;
- changes in custom duties on crude oil and products;
- price differentials for petroleum products between different geographical markets;
- changes in the cost and availability of shipping and other logistics services for feedstocks and for petroleum products;
- changes by governmental authorities in the mandatory petroleum product specifications for petroleum products;
- governmental actions that restrict imports or exports or fix prices of petroleum products; and
- general political and economic conditions.

In the event that our margin between petroleum product prices and crude oil prices narrows as a result of these or other factors, it could have a material adverse effect on our business, results of operations and financial condition.

39. Significant or extended changes in demand and supply fundamentals for crude oil and for petroleum products may have a material impact on market prices for crude oil, as well as the prevailing industry practice of determining the price of the sales of petroleum products in India which, in turn, could have a material adverse effect on our refining margins, business, results of operations and financial condition.

The market prices for crude oil, as well as the prevailing industry practice determining the price of sales of petroleum products in India, are subject to significant fluctuations resulting from a variety of factors affecting demand and supply, which are outside our control. It is impossible to accurately predict future demand and supply trends and their impact on crude oil and petroleum product prices. Significant pricing level changes during the period between the procurement of crude oil and the sale of

petroleum products could have a material adverse effect on our business, results of operations and financial condition.

In recent years, the prices of crude oil and petroleum products have fluctuated substantially. Prices of crude oil and the prevailing industry practice determining the price of sales of petroleum products in India depend on numerous factors beyond our control, including:

- changes in global and domestic economic conditions;
- global and domestic demand for crude oil and petroleum products;
- global and domestic political conditions, particularly in significant oil producing regions such as the Middle East, West Africa and Latin America;
- the level of global and domestic production of crude oil and petroleum products;
- discoveries of, and commercial availability of, alternative and competing fuels;
- Indian and foreign governmental regulations and actions, fiscal or otherwise, including tariffs on imports and exports;
- price and availability of new technology;
- pricing and other actions taken by suppliers and competitors that impact the market;
- the ability of the members of OPEC to maintain oil price and production controls;
- reduction of discounts on heavier and sourer crude oil as compared to light and sweet crude oil;
- lack of demand for the quality of product that we intend to produce; and
- seasonality and weather conditions.

Our sale prices for petroleum products will be influenced by the price of crude oil. However, an increase or decrease in the price of crude oil may not result in a corresponding increase or decrease in the price of our petroleum products and there can be no assurance that the price of our petroleum products will increase in the same proportion as the price of crude oil or at all. If such a corresponding increase or decrease in the price of our petroleum products were to occur, any time lag between a change in the price of crude oil and the change in the prevailing industry practice determining the price of sales of petroleum products in India may nonetheless affect our profit margins and could have a significant impact on our refining operations and financial condition.

40. Intense competition in the refining industry and the advancement and discovery of alternate energy resources may adversely affect our sales and profitability.

The refining industry is highly competitive and competition within the refining industry may affect the prevailing industry practice determining the price of sales of petroleum products in India.

Competition is based primarily on price and to a lesser extent on product performance, product quality, product deliverability and customer service. Some of our competitors are larger and more vertically integrated than us and therefore may be able to manufacture products more economically than we can. We are not engaged in the upstream oil exploration and production business and therefore do not produce any of our crude oil feedstocks. We do not have a retail business and therefore are dependent upon others, primarily BPCL, for outlets for our petroleum products. Some of our competitors, however, obtain a portion of their crude oil from company-owned production and have retail outlets

and are, at times, able to offset losses from refining operations with profits from producing or retailing operations. In addition, some of our competitors have greater financial resources than we do, which may enable them to invest more capital in their business, including in their facilities and their research and technology activities, and withstand volatile market conditions. In addition, we will compete with other industries that provide alternative means to satisfy the energy and fuel requirements of our off-takers, such as natural gas, coal and renewable energy sources. If we are unable to compete effectively with these competitors, both within and outside our industry, the prevailing industry practice determining the price of sales of petroleum products in India may result in a sale price for our petroleum products that is uneconomical for us and our sales and profitability may be adversely affected.

41. The dangers inherent in our proposed operations could cause disruptions and could expose us to significant losses, costs or liabilities. We are particularly vulnerable to disruptions in our operations because all of our refining operations will be conducted at a single location and we will operate with a single crude import site and a single crude pipeline.

Our proposed operations are subject to significant hazards and risks inherent in refining operations and in importing, transporting and storing crude oil, intermediate products and petroleum products.

These hazards and risks include:

- natural disasters;
- fires;
- explosions;
- ruptures and spills from crude and product carriers or storage tanks;
- third-party interference;
- disruption of deliveries of crude oil or petroleum products;
- disruptions of electricity, water and other utility services;
- war or terrorism;
- civil unrest; and
- mechanical failure of equipment at our Refinery, Crude Oil Importing, and Storage System, Crude Oil Pipeline or third-party facilities nearby, including BPCL's proposed Marketing Terminal and the Product Pipeline Connection.

Any of the foregoing could result in production and distribution difficulties and disruptions, environmental pollution, personal injury or wrongful death claims and other damage to our properties and the properties of others. There is also a risk of mechanical failure and equipment shutdowns in general and following unforeseen events.

Furthermore, in such situations, undamaged Refinery units that may be dependent on or interact with damaged sections of our Refinery may also be required to be shut down.

Our Refinery will consist of many processing units. One or more of the units may require unscheduled downtime for unanticipated maintenance or repairs, or our planned turnarounds may last longer than anticipated. Normally, a refinery shuts down for maintenance approximately once in every three to four years for about 35 to 45 days. Such scheduled and unscheduled maintenance closures could reduce our revenues and increase our costs during the period that our units are not operating.

As all of our operations will be conducted at a single location and we have only a single crude oil importing and storage system and single crude oil pipeline; any of the events described above could significantly disrupt our production and distribution of products, and any sustained disruption could have a material adverse effect on our business, results of operations and financial condition.

External Risk Factors

42. Significant changes in the GoI's policy on liberalization of the Indian economy could adversely impact economic conditions in India generally and our business, results of operations and financial condition in particular.

The role of Indian central and state governments in the Indian economy and their effect on producers, consumers and regulators has remained significant over the years. Government policies could adversely affect business and economic conditions in India generally and our business in particular. Since 1991, the Indian central government has pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. The government may change economic policies followed by previous governments, including those relating to foreign investment, currency exchange rates and controls, interest rates, taxation and other matters affecting an investment in the Equity Shares.

Significant changes in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and affect our business adversely.

43. We operate in a heavily regulated industry; the regulatory framework in India is evolving, and regulatory changes could have a material adverse effect on our business, results of operations and financial condition.

The oil and gas industry in India is heavily regulated. Adverse or unexpected changes to the regulations of the industry in which we operate, or of India generally, could have a material adverse effect on our business, results of operations and financial condition. For a description of the principal regulations and policies to which we are currently subject to, see the section "Regulations and Policies in India" beginning on page 85. Additionally, we could become subject to additional regulation as a result of changes to existing regulations or the implementation of new regulations. For example, the GoI operates a subsidy system pursuant to which under-recoveries of government-owned oil marketing companies resulting from the GoI-fixed, below market, pricing for certain petroleum productions are shared among the GoI, the public sector oil marketing companies and certain public sector upstream companies. The subsidy system has had a material adverse effect on the upstream companies that are required to participate in the sharing system. Although independent refineries are currently not required to participate in the sharing system, if the subsidy system were to change to require such participation by us, it could have an adverse effect on our profitability. Unfavorable regulatory changes in these or other areas could have a material adverse effect on our business, results of operation and financial condition.

44. We are exposed to potentially adverse changes in the tax regimes of India, including the central regime and regimes of the Indian states of Madhya Pradesh and Gujarat.

The Project is located and we expect to operate primarily in India in the Indian states of Madhya Pradesh and Gujarat. These jurisdictions or any other jurisdiction, in which we may operate or otherwise become subject to taxation, could modify their tax laws in ways that would adversely affect us. In particular, the state of Madhya Pradesh has agreed to provide us with certain tax benefits and concessions, subject to certain conditions, on which the Project is dependent. Modifications to the tax regime of the state of Madhya Pradesh could reduce or eliminate the benefits we expect to receive from these tax benefits and concessions.

For further information on these benefits and concessions, see the section "History and Other Corporate Matters – Material Agreements – Memorandum of Understanding with the GoMP" beginning on page

94. Significant changes in the tax regimes of India, including the central regime and the regimes of the Indian states of Madhya Pradesh and Gujarat, could have a material adverse effect on our business, results of operations and financial condition.

45. We may incur material costs to comply with, or suffer material liabilities as a result of compliance with and changes in health, safety and environmental laws and regulations.

Compliance with applicable safety, health and environmental laws and regulations creates costs for us that are an inherent part of our business. We, like other developers and operators of petroleum refineries in India, are subject to a broad range of safety, health and environmental laws and regulations which impose controls on the storage, handling and transportation of petroleum products, employee exposure to hazardous substances, planting trees and ensuring that the top soil of the land acquired is not adversely affected and other aspects of our operations. We may also incur environmental liabilities for environmental damage caused by acts or omissions of our third party contractors.

Further, the adoption of new safety, health and environmental laws and regulations, new interpretations of existing laws, increased governmental enforcement of environmental laws or other developments in the future may require that we make additional capital expenditures or incur additional operating expenses in order to maintain our current or future operations or take other actions that could have a material adverse effect on our financial condition, results of operations and cash flow. These laws and regulations are increasingly stringent and may, in the future, create substantial environmental compliance or remediation liabilities and costs. The measures we implement in order to comply with these new laws and regulations may not be deemed sufficient by governmental authorities and our compliance costs may significantly exceed current estimates.

If we fail to meet environmental requirements or have a major accident or disaster, we may also be subject to administrative, civil and criminal proceedings by governmental authorities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines, penalties and damages against us as well as orders that could limit or halt or even cause closure of our operations, any of which could have a material adverse effect on our business, results of operations and financial condition.

We may incur environmental liabilities in respect of our operations even for environmental damage caused by acts or omissions of our contractors. Our insurance coverage does not cover all potential liabilities that may arise as a result of environmental damage caused by contractors or by us and this may result in a material adverse impact on our results of operations. In the past, we have been subject to litigation in relation to environmental and other matters, which has caused a significant delay in the grant of regulatory approvals and the execution of the Project. We may be involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future, the costs of which may be material.

Clean-up and remediation costs and related litigation could adversely affect our cash flow, results of operations and financial condition. For further information on environmental regulations in India, see the section “Regulations and Policies in India” beginning on page 85.

46. We are subject to stringent labor laws and trade union activity.

We do not currently have any direct labor or trade union. However, we are subject to certain stringent labor legislation that protects the interests of workers, including legislation that sets forth detailed procedures for employee removal and dispute resolution and imposes financial obligations on employers upon employee layoffs. This would make it difficult for us to maintain flexible human resource policies, discharge employees or downsize, which may adversely affect our business and profitability.

47. Exchange rate fluctuations may have a material adverse effect on our business, results of operations and financial condition.

We will be exposed to foreign exchange risks. Accordingly, significant movements in currency rates may have a material adverse effect on our business, results of operations and financial condition. Our costs for the procurement of crude oil, other feedstocks and catalysts will be mainly incurred in U.S. Dollars, whereas our operating costs and in part sales prices for petroleum products under the Off-take Agreement are linked to the Indian Rupee. Our Sanctioned Project Loan is also denominated in Rupees and therefore requires payment of principal and interest in Rupees. We may also incur additional indebtedness denominated in Rupees or other currencies. If the value of the currency in which we incur our costs, strengthens relative to the value of the currency in which we sell our products, there may be an adverse impact on our business, results of operations and financial condition.

Fluctuations in foreign exchange rates, in particular the exchange rate between the U.S. Dollar and the Rupee, could have a material adverse effect on our business, results of operations and financial condition.

48. We are subject to risks arising from interest rate fluctuations, which could adversely affect our business, results of operations and financial condition.

Changes in interest rates could significantly affect our results of operation and financial condition. Our Sanctioned Project Loan, which we expect to be fully disbursed at the time we commence operations, provides for borrowings of up to Rs. 63,870 million. Under the terms of our Sanctioned Project Loan, with the exception of repayment to one such lender, the interest rate payable is subject to reset at our commercial operation date or 48 months from the execution of the loan documents, whichever is earlier, and every five years thereafter. Such resets shall be based on the banks' benchmark rate, which shall be determined by reference to the benchmark yields of government securities and may cause our interest rate to vary. We may enter into other agreements to provide for other borrowings in the future, interest on which may also accrue at a floating rate. We are exposed to interest rate risk on such floating rate debt. Upward fluctuations in interest rates may increase the cost of any floating rate debt that we incur. In addition, the interest rate that we will be able to secure in any future debt financing will depend on market conditions at the time, and may differ from the rates on our existing debt. Such fluctuations, with regard to our then existing credit facility as well as the risk that interest rates may be high when we need to access the markets for additional debt financing, may adversely impact our results of operations, planned capital expenditures and cash flows. For further information, see the section "Management's Discussion and Analysis of Financial Condition and Results of Operations — Factors Affecting Our Results of Operations" beginning on page 186.

Risk Factors relating to this Issue

49. You will not be able to sell immediately any of the Equity Shares you subscribe to in this Issue on an Indian stock exchange.

The Equity Shares will be listed on the BSE and NSE. Pursuant to Indian regulations certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or "demat" accounts with depository participants in India are expected to be credited within two working days of the date on which the issue and Allotment is approved by the Board. Thereafter, upon receipt of final approval of the Stock Exchanges, trading in the Equity Shares is expected to commence within approximately four working days. There can be no assurance that the Equity Shares allotted earlier to investors will be credited to their demat accounts, or that trading will commence, within the time periods specified above.

50. There is no existing market for the Equity Shares, and the price of the Equity Shares may be volatile and fluctuate significantly in response to various factors.

An active market for the Equity Shares may not develop or be sustained after the Issue. The market price of our Equity Shares may vary from the Issue Price after the Issue.

The market price of our Equity Shares may fluctuate significantly due to factors beyond our control, including, but not limited to: volatility in the Indian and global securities markets; external factors affecting our operating results, including the risks outlined in this section; investor perceptions of our future performance; changes in factors affecting general market valuations of companies in the oil and natural gas industry; announcements by us or others of significant technological developments, contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments; political developments or other governmental action or regulation in India or other countries; and additions or departures of key personnel.

In addition, the BSE or the NSE may experience significant price and volume fluctuations, which may have a material adverse effect on the market price of the Equity Shares. There is a risk that you will not be able to sell your Equity Shares at a price at or above the Issue Price.

51. Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.

The Indian securities markets are smaller than securities markets in more developed economies. Indian stock exchanges have, in the past, experienced substantial fluctuations in the prices of listed securities.

Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies. These problems include temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, from time to time, disputes have occurred between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. Similar problems could occur in the future and, if they do, they could harm the market price and liquidity of the Equity Shares.

52. Economic developments and volatility in securities markets in other countries may cause the price of our Equity Shares to decline.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. For instance, the economic downturn in the United States and several European countries during a part of 2001 to 2003 and in 2007 adversely affected market prices in the global securities markets, including the Indian securities markets. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries or any worldwide financial instability (such as the recent events following concerns over sub-prime debt in the United States) may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

53. Future sales of Equity Shares by our shareholders, including by BPCL, or any future equity offerings by us may adversely affect the market price of the Equity Shares.

Upon completion of the Issue, BPCL will hold approximately 48% of our issued equity share capital. The market price of the Equity Shares could be affected by sales of a large number of the Equity Shares by BPCL or by a perception that such sales may occur.

In addition, if we do not have sufficient internal resources to fund our working capital or capital expenditure needs in the future, we may need to raise funds through further equity offerings. As a purchaser of the Equity Shares, you may experience dilution to your shareholding to the extent that we conduct future equity or convertible equity offerings.

Such dilutions can adversely affect the market price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

54. Our willingness and ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors.

The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors.

We do not intend to begin commercial operations until, in or around, January 2010 and we face certain risks that may result in further delay to the implementation of the Project. There can be no assurance that we shall have distributable funds after we commence operations. Additionally, under the terms of the Sanctioned Project Loan, our ability to pay dividends is restricted during the moratorium period of the loan facilities and during the continuation of an event of default, or if the dividend is above 10% of the face value of the Equity Shares.

55. The objects of the Issue have not been appraised by any bank or other financial institution since 2005 and we have not yet entered into definitive agreements covering all required aspects in respect of the fulfillment of the objects as at the date of this Draft Red Herring Prospectus.

Our funding requirements for the Project and the use of proceeds in relation to this Issue are based on management estimates which are in turn based on the Project cost estimates provided by EIL and have not been appraised by any bank or financial institution since 2005. Although the Project was appraised by SBICaps in October 2005 for the purpose of our Sanctioned Project Loan, the break-down of the Project cost for various aspects has changed. Our overall Project cost, however, remains the same.

Although we propose to utilize the proceeds of this Issue for the development of the Project, we have not yet entered into definitive agreements covering all required aspects in respect of the fulfillment of the objects as of the date of this Draft Red Herring Prospectus.

Since our fund requirements are based on management estimates which are in turn based on the Project cost estimates provided by EIL, they are also subject to a number of variables including possible cost overruns, or changes in management's views of the desirability of current plans and budgets, among others.

Notes to Risk Factors

- This is a public Issue of [●] Equity Shares of Rs. 10 each for cash at a price of Rs. [●] per Equity Share, including a premium of Rs. [●] per Equity Share, aggregating Rs. [●]. The Issue will constitute [●] % of the fully diluted post-Issue equity share capital of our Company.
- The Issue is being made through the 100% Book Building Process, wherein at least 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allocation on a proportionate basis to all QIB Bidders including Mutual Funds, subject to valid Bids being received from them, at or above the Issue Price. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, up to [●] Equity Shares shall be available for allocation on a proportionate basis to Eligible Employees subject to valid bids being received at or above Issue Price.

- Under-subscription, if any, in the Non-Institutional Portion, Retail Portion and Employee Reservation Portion, would be allowed to be met with spill over from the other categories or a combination of categories, at the discretion of our Company, in consultation with the BRLMs. Investors may note that in case of over-subscription in the Issue, Allotment to Non Institutional Bidders and Retail Bidders shall be on a proportionate basis. For more information, see the section “Issue Procedure - Basis of Allotment” beginning on page 322.
- The average pre-Issue cost of acquisition of Equity Shares by our Promoter is Rs. 10 per Equity Share and the average post-Issue cost of acquisition of Equity Shares by our Promoter is Rs. [●] per Equity Share. For details, see the section “Capital Structure” beginning on page 30.
- The net worth of our Company was Rs. 1,769.14 million as of December 31, 2007, as per the audited financial statements of our Company prepared in accordance with Indian GAAP and the Companies Act. For more information, see the section “Financial Statements” beginning on page 133.
- The book value per Equity Share was Rs. 9.94 as of December 31, 2007 as per the audited financial statements of our Company prepared in accordance with Indian GAAP and the Companies Act. For more information, see the section “Financial Statements” beginning on page 133.
- Other than as stated in the section “Capital Structure” beginning on page 30, our Company has not issued any Equity Shares for consideration other than cash.
- Except to the extent of shareholding in our Company and reimbursement and remuneration payable, as applicable, and except as disclosed in the sections “Our Management” and “Our Promoter and Promoter Group” beginning on pages 100 and 114, respectively, our Promoter, Directors and key managerial personnel do not have any interest in the Company.
- Trading in Equity Shares of our Company for all investors shall be in dematerialised form only. For further details, see the section “Issue Procedure” beginning on page 300.
- For related party transactions, see the sections “Related Party Transactions” and “Financial Statements- Related Party Transactions” beginning on pages 131 and 182, respectively.
- The Company has not made any loans and advances to any person(s)/company in which the Directors are interested, except as disclosed in the section “Financial Statements” beginning on page 133.
- Investors are advised to refer to the section “Basis for Issue Price” beginning on page 48.
- Any clarification or information relating to the Issue shall be made available by the BRLMs and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the BRLMs and the Syndicate Members for any complaints relating to the Issue.

SUMMARY OF OUR BUSINESS, STRENGTHS AND STRATEGIES

This is only a summary and does not contain all the information you should consider before investing in our Equity Shares. You are advised to read this Draft Red Herring Prospectus in its entirety, including the sections titled "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operation" beginning on pages xvii, 69 and 186, respectively.

Overview

We are promoted by BPCL, which is a Fortune Global 500 company with interests in downstream oil refining and marketing of petroleum products in India. As of March 31, 2007 BPCL had a network of over 7,500 retail outlets, including 21 aviation stations, 48 LPG plants and the BPCL Product Pipeline. (Source: BPCL Annual Report 2006-2007). BPCL's first refinery was commissioned in 1955 and BPCL currently operates three refineries: a 12 MMTPA (approximately 240 KBPD) refinery at Mumbai, a 7.5 MMTPA (approximately 150 KBPD) refinery at Kochi and, through its subsidiary, NRL, a 3 MMTPA (approximately 60 KBPD) refinery in Numaligarh, Assam. BPCL's market share amongst public sector oil refineries throughout India was 23.0%, with sales of 22.7 MMT of petroleum products in the fiscal year 2007. In northern region of India, BPCL's market share among public sector oil refineries was 20.8% with sales of 6.4 MMTPA of petroleum products in the fiscal 2007. (Source: Petroleum Planning and Analysis Cell, Ministry of Petroleum & Natural Gas).

We are in the process of constructing a grassroots petroleum refinery in Bina in the Indian state of Madhya Pradesh. The Refinery is designed to have a crude oil processing capacity of 6 MMTPA (approximately 120 KBPD) and a complexity factor of 9.1, as measured using the Nelson Complexity Index. Our plans also include the construction of a crude oil importing and storage system in Vadinar on the west coast of India in the state of Gujarat, consisting of the SPM facility that can receive crude oil shipments from VLCCs in sizes of up to 320,000 DWT and the COT with a capacity of 480,000 cubic meters. We intend to connect the COT to the Refinery with the Crude Oil Pipeline. The Project is being executed on a hybrid basis, with certain facilities being constructed on the basis of LSTK and others utilizing conventional implementation methodology with assistance from EIL. We anticipate that the Refinery will commence commercial operations in or around January 2010.

We have engaged EIL to provide basic engineering designs in relation to certain aspects of the Refinery, project management, detailed engineering, procurement and construction management services for the Refinery, as well as pre-commissioning and commissioning assistance.

We have licensed certain process technologies for the Refinery's key process units from Chevron Lummus Global LLC, UOP LLC, Technip Benelux B.V. and Lummus Technology Inc., who are also providing us with additional services with respect to their technologies such as basic engineering designs, detailed design reviews and assistance with construction and commissioning.

We have also entered into contracts with key contractors for the Project, including Bharat Heavy Electricals Limited in respect of the Refinery's Power Plant, Punj Lloyd Limited for the Refinery's sulphur block and Naftogaz India Private Limited for the Refinery's hydrogen unit, each on a LSTK basis. Additionally, we have a contract with China Petroleum Technology and Development Corporation for the supply of the reactors for the FCHCU and DHDT and PSL Limited for the provision of piping for the Crude Oil Pipeline.

The capital cost of the Project is estimated to be Rs. 103,780.00 million (approximately US\$ 2,599.04 million), which we propose to fund through debt of approximately Rs. 63,870.00 million (approximately US\$ 1,599.54 million) and equity of approximately Rs. 40,000.00 million (approximately US\$ 1,001.75 million), including proceeds of the Issue. As of February 29, 2008, the total expenditure incurred by us was Rs. 23,764.51 million (approximately US\$ 595.15 million).

We intend to sell substantially all of the Refinery's petroleum products to BPCL pursuant to the Off-take Agreement. In connection with the Project, BPCL intends to construct a marketing terminal for our petroleum products, which we will operate under a lease. BPCL also intends to construct a pipeline to connect the Marketing Terminal to the BPCL Product Pipeline for the transport of the Refinery's petroleum products. We have also entered into the Crude Sourcing and Services Agreement for the sourcing of crude oil for the Refinery.

The GoMP has agreed to provide us with certain financial incentives and tax-related benefits in connection with the implementation and operation of the Project. For further details see the section "History and Certain Corporate Matters - Memorandum of Understanding with the GoMP" beginning on page 94.

Project Strengths

We believe that the Project will benefit from the following strengths:

- ***BPCL's project execution skills and the experience of BPCL's deputized project implementation team.*** BPCL has a proven track record of implementing large refinery-related projects, including those relating to its existing refinery complexes at Mumbai, Kochi and Numaligarh. Most recently, BPCL has completed a modernization and expansion project for its refinery in Mumbai, extensions of the BPCL Product Pipeline from Manglia to Piyala near Delhi and from Piyala to Bijwasan and the implementation of a single point mooring facility at Kochi. In 2000, BPCL's subsidiary NRL, completed construction and commissioned a 3 MMTPA (approximately 60 KBPD) grassroots refinery at Numaligarh in the state of Assam. The Numaligarh refinery includes a crude distillation unit, hydrocracker and delayed coker units as well as a hydrogen and sulphur plant. BPCL is also currently modernizing and expanding its facilities at the Kochi refinery over the course of two phases, and has completed the first phase of the project.

We believe that our implementation of the Project will benefit directly through the deputation of key personnel from BPCL who have been involved in BPCL's recent projects, including through their prior experience of working with EIL to execute projects on a hybrid basis and their prior experience of working with the Project's key licensors and contractors.

We also believe that BPCL's project implementation skills, as well as the experience of our project implementation team members who are on deputation from BPCL, will result in a more efficient implementation and commissioning of the Project.

- ***Financial incentives and tax-related benefits.*** We expect to receive certain financial benefits and exemptions from the GoI and the GoMP. We expect the following financial incentives from the GoI to be available to us in connection with the Project:
 - a concessional rate of basic customs duty for the import of capital goods; and
 - an exemption from the payment of income tax for a period of seven years from the date we commence commercial operations under Section 80-IB (9) of the IT Act. It should however, be noted that the current Finance Bill 2008 includes an amendment to Section 80-IB (9) of the IT Act, which provides that no such exemption shall be available to undertakings engaged in the refining of mineral oil where such refining begins on or after April 1, 2009.

Additionally, the GoMP has agreed, subject to certain conditions, to provide us with the following tax-related benefits in connection with the Project:

- an annual interest free loan up to Rs. 2,500 million (approximately US\$ 62.60 million) per year for a period of 15 years from the date of first sale of our petroleum

products, subject to a maximum total of Rs. 37,500 million (approximately US\$ 939.14 million) to offset our value added tax payments for the sale of our petroleum products;

- an exemption for up to Rs. 37,500 million (approximately US\$ 939.14 million) in central sales tax on the inter-state sale of our petroleum products for a period of 15 years from the date we commence commercial operations;
- an exemption from entry tax on our supply of crude oil for 15 years from the date we commence commercial operations;
- an exemption until March 31, 2009 from entry tax on capital goods and works contract tax during the Project implementation period.

For further details see the section “History and Certain Corporate Matters - Memorandum of Understanding with the GoMP” beginning on page 94.

- ***Synergies within BPCL's existing refinery operations.*** In addition to utilizing the skill sets and resources available to BPCL in constructing the Refinery, we anticipate realizing significant operational synergies with BPCL, including with respect to crude sourcing, operations and maintenance, marketing of petroleum products and petroleum-related infrastructure. In addition, we propose to source crude for the Refinery through the international trading desk of BPCL. We believe that this will help us to ensure the continuity of our crude supply and, because our supply will be grouped with BPCL's, we will benefit from better supply pricing.

Project Strategies

We have designed and intend to operate the Project with the following strategies:

- ***Use of heavier and sourer crude and sourcing through BPCL to reduce crude costs.*** The Refinery is designed to process Arab Mix Crude (API gravity of 31.3) containing Arab Light Crude (API 32.7) and Arab Heavy Crude (API 28.7) at a ratio of 65:35. The Refinery has also been designed with the potential to process various other high sulphur crudes, as well as higher residue crudes (APIs ranging from 28 to 35), by varying throughputs and product slates. We believe this flexibility in design will reduce our costs and give us the ability to adapt to changing market conditions for different crudes or product slates, which will enable the Refinery to take advantage of the cost differentials between low sulphur, low residue crudes and sour higher residue crudes.
- ***Production of high quality, premium petroleum products to benefit from anticipated demand for these products.*** The Refinery configuration has been optimized to maximize high value diesel, gasoline and aviation turbine fuel, minimize naphtha and eliminate low value products like bitumen and fuel oil. All of the Refinery's petroleum products are intended to conform to the current Bureau of Indian Standards specifications, which are the national standards for the manufacture and sale of petroleum products in India. The Refinery's auto fuels such as HSD and gasoline production are intended to meet Euro III-equivalent specifications (which forms part of the current BIS specifications for gasoline and diesel) and Euro IV-equivalent quality standards proposed in India. For further details see the section “Industry – Environmental Regulations” beginning on page 66.

Further, our Refinery has been configured to be able to produce gasoline that meets ultra-low sulphur level specifications of less than 10 ppmw that are proposed for future gasoline specifications such as the proposed Euro V standards. Additionally, the content of olefins and benzene of the Refinery's designed gasoline output is expected to be around 1.0 % by

volume and 0.7% by volume, respectively, as compared with the proposed 18.0% and 1.0% limits under the proposed Euro V standards.

Almost 40% of our anticipated production of HSD is designed to meet the proposed ultra-low sulphur specification limit of 10 ppmw under the proposed Euro V standards. The remaining quantities of HSD are designed to meet the Euro IV sulphur specification limit of 50 ppmw.

We believe that the capability to be able to produce such superior and future-ready environmentally friendly petroleum products would give us a competitive advantage in a number of ways, including, avoiding the need to make large capital investments on our Refinery in order to meet such future standards, being able to increase our levels of production of Euro IV gasoline and diesel by blending them with Euro III or other lesser quality of gasoline and diesel sourced from third parties.

- ***Reduce transportation and other costs through strategic locations.*** We intend to sell substantially all of our petroleum products to BPCL, which intends to construct the Marketing Terminal adjacent to the Refinery. We believe that the Refinery's geographical location in the central Indian state of Madhya Pradesh will enable BPCL to economically service the demand for petroleum products in the north and central India market. There is currently no petroleum refinery within approximately 400 kilometers of our proposed location, and we therefore believe that we will benefit substantially from the lower transportation costs afforded by our proximity to the target markets. The Product Pipeline Connection will enable BPCL to transfer petroleum products from the Marketing Terminal to the BPCL Product Pipeline to service markets in the northern regions of India. Furthermore, we believe that as petroleum products become subject to increasingly stringent product specifications within India, fewer existing refineries within BPCL's target market will be able to meet the increasing demand for compliant petroleum products competitively.

The Crude Oil Importing and Storage System is located in Vadinar on the west coast of India in the state of Gujarat, which places it in close proximity to the Middle East, the largest crude oil producing region in the world. We believe this location will reduce the time for transportation of the crude oil to the Refinery and will reduce crude freight costs.

- ***Self-sufficient captive power plant.*** The Project includes plans for a 99 MW captive co-generation power plant that will meet the power and steam requirements of the Refinery. The heavy residues generated in the Refinery will be processed in the delayed coker unit to yield valuable products as well as limiting quantities of petroleum coke. This process is designed to eliminate low value fuel oils. Furthermore, petroleum coke produced by the Refinery will be utilized towards the fuel requirements for the Power Plant. We believe that the integration of the delayed coker unit and the Power Plant is likely to result in enhanced reliability of the Refinery's key utility systems and steady operations of the facilities.

We believe that our Project strategies such as the flexibility in the design for crude processing at the Refinery, the superior product slate including premium quality auto fuels, the strategic location of the crude import facility, freight advantages resulting from the inland location of the Refinery and potential residue upgrade to value-added products will benefit our gross refining margins. For further details see the section "Industry – Singapore Benchmark for Refining Margins" beginning on page 65.

THE ISSUE

The following table summarizes the Issue details:

Issue of Equity Shares*	[●] Equity Shares
Fresh Issue Equity Shares [#]	[●]
Employee Reservation Portion**	[●]
Net Issue to the Public	[●]
Of which:	
QIB Portion	At least [●] Equity Shares*
<i>of which</i>	
Mutual Funds Portion	[●] Equity Shares*
Balance of QIB Portion (available for QIBs including Mutual Funds)	[●] Equity Shares*
Non-Institutional Portion***	Not less than [●] Equity Shares*
Retail Portion***	Not less than [●] Equity Shares*
Pre and post-issue Equity Shares	
Equity Shares outstanding prior to the Issue	[●] Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Issue Proceeds	
For details see the section “Objects of the Issue” beginning on page 39 for information about the use of the Issue Proceeds.	

* We require approximately Rs. 38,500 million as the equity contribution for our Project (as defined hereinafter) which the Company intends to raise from the Issue, the issuance of Equity Shares to our Promoter, BPCL, and the Government of Madhya Pradesh or such other sources of finance, including by way of debt or equity, as the Company deems appropriate in accordance with applicable laws. For further details see the section “Capital Structure” beginning on page 30.

* Allocation to all categories shall be made on a proportionate basis.

Our Company is considering a Pre-IPO Placement of Equity Shares with certain investors (the “**Pre-IPO Placement**”). The Pre-IPO Placement is at the discretion of our Company. Our Company will complete the issuance of such Equity Shares prior to filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25% of the post Issue paid up share capital being offered to the public.

** For the definition of Eligible Employees, see the section “Definitions and Abbreviations- Eligible Employees” on page iv.

*** Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion, Retail Portion and Employee Reservation Portion, would be allowed to be met with spill over from the other categories or a combination of categories, at the discretion of our Company, in consultation with the BRLMs.

SUMMARY FINANCIAL INFORMATION

The following tables containing selected financial information derived from the Financial Statements/Information of the Company as of and for the nine months ended December 31, 2007 and each of the fiscal years ended March 31, 2003, 2004, 2005, 2006 and 2007 included in the section 'Financial Statements' on page 133. The summary financial information presented below should be read in conjunction with the Financial Statements/information included in this Draft Red Herring Prospectus, and the notes thereto, in the section "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operation" on beginning pages 133 and 186, respectively. The summary financial information presented below and the Financial Statements and financial information presented elsewhere in this Draft Red Herring Prospectus have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS.

RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

Rupees in million						
Particulars	As at 31 st December, 2007	As at 31 st March,				
		2007	2006	2005	2004	2003
A Fixed assets						
Gross block	400.74	112.22	108.49	108.00	108.09	106.78
Less : Depreciation	24.16	20.32	18.43	21.13	19.60	17.73
Net block	376.58	91.90	90.06	86.87	88.49	89.05
Less : Revaluation reserve	-	-	-	-	-	-
Net block after adjustment for revaluation reserve	376.58	91.90	90.06	86.87	88.49	89.05
B Capital work-in-progress	13,609.51	2,609.85	223.48	223.46	223.46	223.44
C Pre-operative expenditure pending capitalisation	3,754.13	2,646.41	1,616.18	1,472.69	1,452.85	1,400.76
D Intangible assets (net of □amortization)	16.00	-	-	-	-	-
E Investments	1,500.26	-	-	-	-	-
F Current assets, loans and advances						
Cash and bank balances	6,803.09	5,959.58	2.43	8.00	41.69	44.17
Loans and advances	930.71	215.98	18.48	18.66	13.57	18.79
Total	7,733.80	6,175.56	20.91	26.66	55.26	62.96
Total assets (A+B+C+D+E+F)	26,990.28	11,523.72	1,950.63	1,809.68	1,820.06	1,776.21
G Liabilities and provisions						
Secured loans	14,154.30	781.20	-	-	-	-
Unsecured loans	-	-	280.26	115.43	52.72	9.54
Debenture application money	9,000.00	9,000.00	-	-	-	-
Current liabilities	2,057.98	241.23	169.22	192.92	267.11	266.43
Provisions	8.86	1.14	1.01	1.13	-	-

Particulars	As at 31 st December, 2007	As at 31 st March,				
		2007	2006	2005	2004	2003
Total liabilities and provisions	25,221.14	10,023.57	450.49	309.48	319.83	275.97
Net worth (A+B+C+D+E+F-G)	1,769.14	1,500.15	1,500.14	1,500.20	1,500.23	1,500.24
Net worth represented by:						
H Share capital	1,510.00	1,510.00	1,510.00	1,510.00	1,510.00	1,510.00
I Share application money	269.00	-	-	-	-	-
J Reserves and surplus	-	-	-	-	-	-
Less: Revaluation reserve	-	-	-	-	-	-
Reserves (Net of revaluation reserve)	-	-	-	-	-	-
Less: Miscellaneous expenditure (to the extent not written off or adjusted)	9.86	9.85	9.86	9.80	9.77	9.76
	(9.86)	(9.85)	(9.86)	(9.80)	(9.77)	(9.76)
Net worth (H+I+J)	1,769.14	1,500.15	1,500.14	1,500.20	1,500.23	1,500.24

RESTATED SUMMARY STATEMENT OF PRE-OPERATIVE EXPENDITURE PENDING CAPITALISATION

Rupees in million

Particulars	For the period 1 st Apr 2007 to 31 st Dec 2007	For the year ended 31 st Mar,				
		2007	2006	2005	2004	2003
Opening balance	2,646.41	1,616.18	1,472.69	1,452.85	1,400.76	1,384.08
<u>Add:</u>						
Salaries, allowances and others (including personnel on deputation)	86.46	44.25	5.49	3.88	3.15	3.77
Insurance	82.83	0.02	0.01	0.01	0.02	0.02
Rent, rates and taxes	3.50	0.03	0.04	0.02	0.06	0.06
Repairs and maintenance – Other assets	3.76	0.93	0.64	0.77	1.06	0.76
Consultant fees and related expenses	639.05	561.90	119.80	5.54	40.08	9.45
Travelling and conveyance	13.80	9.85	1.62	0.75	1.80	2.19
Legal and professional charges	1.08	9.59	0.13	0.19	0.66	0.77
General and administrative charges	21.48	7.65	1.15	2.05	1.18	1.14
Depreciation/ amortisation	4.39	1.89	1.51	1.70	1.88	2.29
Letter of credit and bank charges	83.51	0.49	0.03	0.01	0.01	0.01
Interest and finance costs						
- Fixed loan	637.73	110.09	-	-	-	-
- Others	16.51	310.64	14.05	9.93	3.90	0.14
	654.24	420.73	14.05	9.93	3.90	0.14
<u>Less:</u>						
Dividend Income from current investments	36.88	-	-	-	-	-
Interest income	675.96	41.71	1.28	2.14	2.59	4.75

Particulars	For the period 1 st Apr 2007 to 31 st Dec 2007	For the year ended 31 st Mar,				
		2007	2006	2005	2004	2003
Miscellaneous income	3.33	1.86	0.05	3.68	0.06	0.92
	716.17	43.57	1.33	5.82	2.65	5.67
<u>Add:</u>						
Provision for tax						
- Current income tax	229.45	16.04	0.18	0.81	0.94	1.75
- Fringe benefits tax	0.34	0.43	0.17	-	-	-
	229.79	16.47	0.35	0.81	0.94	1.75
Expenditure for the period/ year (net)	1,107.72	1,030.23	143.49	19.84	52.09	16.68
Closing balance	3,754.13	2,646.41	1,616.18	1,472.69	1,452.85	1,400.76

RESTATED CASH FLOW STATEMENT

Rupees in million

Particulars	For the period 1 st Apr 2007 to 31 st Dec 2007	For the year ended 31 st Mar,				
		2007	2006	2005	2004	2003
I. Cash flow from operating activities (A)	-	-	-	-	-	-
II. Cash flow from/ (used in) investing activities						
(Increase)/ decrease in loans and advances	(714.73)	(197.50)	0.18	(5.09)	5.22	2.02
Increase/(decrease) in current liabilities and provisions	1,824.47	72.14	(23.82)	(73.06)	0.68	(0.80)
Purchase of current investments	(1,500.26)	-	-	-	-	-
Purchase of fixed assets	(36.07)	(3.73)	(4.87)	(0.12)	(1.35)	(1.40)
(Increase)/decrease in capital work-in-progress	(10,999.66)	(2,386.37)	(0.02)	-	(0.02)	0.43
(Increase) in pre-operative expenditure pending capitalisation	(1,107.72)	(1,030.23)	(143.49)	(19.84)	(52.09)	(16.68)
Sale of fixed assets	-	-	0.10	-	0.04	@
Loss on sale/ write-off of assets	-	-	0.07	-	0.02	-
Depreciation	4.39	1.89	1.51	1.70	1.88	2.23
	(12,139.06)	(3,418.44)	(146.70)	(18.22)	(51.56)	(15.42)
(Increase)/decrease in miscellaneous expenditure	(0.01)	0.01	(0.06)	(0.03)	(@)	(0.10)
Net cash flow from/ (used in) investing						

Particulars	For the period 1 st Apr 2007 to 31 st Dec 2007	For the year ended 31 st Mar,				
		2007	2006	2005	2004	2003
activities (B)	(12,529.59)	(3,543.79)	(170.40)	(96.40)	(45.66)	(14.30)
III. Cash flow from/ (used in) financing activities						
Loans availed	13,373.10	781.20	164.83	62.71	43.18	9.54
Loans repaid	-	(280.26)	-	-	-	-
Debenture application money	-	9,000.00	-	-	-	-
Net cash flow from/ (used in) financing activities I	13,373.10	9,500.94	164.83	62.71	43.18	9.54
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	843.51	5,957.15	(5.57)	(33.69)	(2.48)	(4.76)
Opening cash and cash equivalents as at the beginning of the period/ year						
Cash on hand	0.05	0.05	0.05	0.03	0.05	0.06
Bank balances	5,959.53	2.38	7.95	41.66	44.12	48.87
Total (D)	5,959.58	2.43	8.00	41.69	44.17	48.93
Closing cash and cash equivalents as at the end of the period/ year						
Cash on hand	0.08	0.05	0.05	0.05	0.03	0.05

Particulars	For the period 1 st Apr 2007 to 31 st Dec 2007	For the year ended 31 st Mar,				
		2007	2006	2005	2004	2003
Bank balances	6,803.01	5,959.53	2.38	7.95	41.66	44.12
	(Refer Note 2)	(Refer Note 2)				
Total (E)	6,803.09	5,959.58	2.43	8.00	41.69	44.17
Net increase/ (decrease) in cash and cash equivalents (E-D)	843.51	5,957.15	(5.57)	(33.69)	(2.48)	(4.76)

AUDITED BALANCE SHEET

Rupees in million

	As at 31 st Dec 2007	As at 31 st March,				
		2007	2006	2005	2004	2003
Shareholders' funds						
Share capital	1,510.00	1,510.00	1,510.00	1,510.00	1,510.00	1,510.00
Share application money	269.00	-	-	-	-	-
Loan funds						
Secured loans	14,154.30	781.20	-	-	-	-
Unsecured loan	-	-	280.26	115.43	52.72	9.54
Debtenture application money	9,000.00	9,000.00	-	-	-	-
	24,933.30	11,291.20	1,790.26	1,625.43	1,562.72	1,519.54
Fixed assets						
Gross block	417.29	112.22	108.49	108.00	108.09	106.78
Less: Depreciation	24.71	20.32	18.43	21.13	19.60	17.73
Net block	392.58	91.90	90.06	86.87	88.49	89.05
Capital work-in-progress	13,609.51	2,609.85	223.48	223.46	223.46	223.44
Pre-operative expenditure pending □ capitalization	3,754.13	2,646.41	1,616.18	1,472.69	1,452.85	1,400.76
(As per statement of pre-operative expenditure pending □ capitalization)	17,756.22	5,348.16	1,929.72	1,783.02	1,764.80	1,713.25
Investments						
	1,500.26	-	-	-	-	-
Current assets, loans and advances						
Cash and bank balances	6,803.09	5,959.58	2.43	8.00	41.69	44.17
Loans and advances	930.71	215.98	18.48	18.66	13.57	18.79
	7,733.80	6,175.56	20.91	26.66	55.26	62.96
Current liabilities	2,057.98	241.23	169.22	192.92	267.11	266.43
Provisions	8.86	1.14	1.01	1.13	-	-
	2,066.84	242.37	170.23	194.05	267.11	266.43
Net current assets/(liabilities)						
	5,666.96	5,933.19	(149.32)	(167.39)	(211.85)	(203.47)
Miscellaneous expenditure (To the extent not written off or adjusted)						
	9.86	9.85	9.86	9.80	9.77	9.76
	24,933.30	11,291.20	1,790.26	1,625.43	1,562.72	1,519.54

AUDITED STATEMENT OF PRE-OPERATIVE EXPENDITURE PENDING CAPITALISATION

Rupees in million

Particulars	For the period 1 st Apr 2007 to 31 st Dec 2007	For the year ended 31 st Mar 2007	For the year ended 31 st Mar 2006	For the year ended 31 st Mar 2005	For the year ended 31 st Mar 2004	For the year ended 31 st Mar 2003
Opening balance	2,646.41	1,616.18	1,472.69	1,452.85	1,400.76	1,384.08
<u>Add:</u>						
Salaries, allowances and others (including personnel on deputation)	86.46	44.25	5.49	3.88	3.15	3.77
Insurance	82.83	0.02	0.01	0.01	0.02	0.02
Rent, rates and taxes	3.50	0.03	0.04	0.02	0.06	0.06
Repairs and maintenance – Other assets	3.76	0.93	0.64	0.77	1.06	0.76
Consultant fees and related expenses	639.05	561.90	119.80	5.54	40.08	9.45
Travelling and conveyance	13.80	9.85	1.62	0.75	1.80	2.19
Legal and professional charges	1.08	9.59	0.13	0.19	0.66	0.77
General and administrative charges	21.48	7.65	1.15	2.05	1.18	1.14
Depreciation/ amortization	4.39	1.89	1.51	1.70	1.88	2.29
Letter of credit and bank charges	83.51	0.49	0.03	0.01	0.01	0.01
Interest and finance costs						
- Fixed loan	637.73	110.09	-	-	-	-
- Others	16.51	310.64	14.05	9.93	3.90	0.14
	<u>654.24</u>	<u>420.73</u>	<u>14.05</u>	<u>9.93</u>	<u>3.90</u>	<u>0.14</u>
<u>Less:</u>						
Dividend Income from current investments	36.88	-	-	-	-	-
Interest income	675.96	41.71	1.28	2.14	2.59	4.75

Particulars	For the period 1 st Apr 2007 to 31 st Dec 2007	For the year ended 31 st Mar 2007	For the year ended 31 st Mar 2006	For the year ended 31 st Mar 2005	For the year ended 31 st Mar 2004	For the year ended 31 st Mar 2003
Miscellaneous income	3.33	1.86	0.05	3.68	0.06	0.92
	716.17	43.57	1.33	5.82	2.65	5.67
<u>Add:</u>						
Provision for tax						
- Current income tax	229.45	16.04	0.18	0.81	0.94	1.75
- Fringe benefits tax	0.34	0.43	0.17	-	-	-
	229.79	16.47	0.35	0.81	0.94	1.75
Expenditure for the period/ year (net)	1,107.72	1,030.23	143.49	19.84	52.09	16.68
Closing balance	3,754.13	2,646.41	1,616.18	1,472.69	1,452.85	1,400.76

AUDITED CASH FLOW STATEMENT

Rupees in million

Particulars	For the period 1 st Apr 2007 to 31 st Dec 2007	For the year ended 31 st Mar 2007	For the year ended 31 st Mar 2006	For the year ended 31 st Mar 2005	For the year ended 31 st Mar 2004	For the year ended 31 st Mar 2003
I. Cash flow from operating activities (A)	-	-	-	-	-	-
II. Cash flow from/ (used in) investing activities						
(Increase)/ decrease in loans and advances	(714.73)	(197.50)	0.18	(5.09)	5.22	2.02
Increase/(decrease) in current liabilities and provisions	1,824.47	72.14	(23.82)	(73.06)	0.68	(0.80)
Purchase of current investments	(1,500.26)	-	-	-	-	-
Purchase of fixed assets	(36.07)	(3.73)	(4.87)	(0.12)	(1.35)	(1.40)
(Increase)/decrease in capital work-in-progress	(10,999.66)	(2,386.37)	(0.02)	-	(0.02)	0.43
(Increase) in pre-operative expenditure pending Capitalization	(1,107.72)	(1,030.23)	(143.49)	(19.84)	(52.09)	(16.68)
Sale of fixed assets	-	-	0.10	-	0.04	@
Loss on sale/ write-off of fixed assets	-	-	0.07	-	0.02	-
Depreciation/ Amortisation	4.39	1.89	1.51	1.70	1.88	2.23
	(12,139.06)	(3,418.44)	(146.70)	(18.22)	(51.56)	(15.42)
(Increase)/ decrease in miscellaneous expenditure	(0.01)	0.01	(0.06)	(0.03)	(@)	(0.10)
Net cash flow from/ (used in)						

Particulars	For the period 1 st Apr 2007 to 31 st Dec 2007	For the year ended 31 st Mar 2007	For the year ended 31 st Mar 2006	For the year ended 31 st Mar 2005	For the year ended 31 st Mar 2004	For the year ended 31 st Mar 2003
investing activities (B)	(12,529.59)	(3,543.79)	(170.40)	(96.40)	(45.66)	(14.30)
III . Cash flow from/ (used in) financing activities						
Loans availed	13,373.10	781.20	164.83	62.71	43.18	9.54
Loans repaid	-	(280.26)	-	-	-	-
Debenture application money	-	9,000.00	-	-	-	-
Net cash flow from/ (used in) financing activities I	13,373.10	9,500.94	164.83	62.71	43.18	9.54
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	843.51	5,957.15	(5.57)	(33.69)	(2.48)	(4.76)
Opening cash and cash equivalents as at the beginning of the period/ year						
Cash on hand	0.05	0.05	0.05	0.03	0.05	0.06
Bank balances	5,959.53	2.38	7.95	41.66	44.12	48.87
Total (D)	5,959.58	2.43	8.00	41.69	44.17	48.93
Closing cash and cash equivalents as at the end of the period/ year						
Cash on hand	0.08	0.05	0.05	0.05	0.03	0.05
Bank balances	6,803.01	5,959.53	2.38	7.95	41.66	44.12

Particulars	For the period 1 st Apr 2007 to 31 st Dec 2007	For the year ended 31 st Mar 2007	For the year ended 31 st Mar 2006	For the year ended 31 st Mar 2005	For the year ended 31 st Mar 2004	For the year ended 31 st Mar 2003
	(Refer Note 2 below)	(Refer Note 2 below)				
Total (E)	6,803.09	5,959.58	2.43	8.00	41.69	44.17
Net increase/ (decrease) in cash and cash equivalents (E-D)	843.51	5,957.15	(5.57)	(33.69)	(2.48)	(4.76)

GENERAL INFORMATION

Our Company was incorporated on February 25, 1994 as “Bharat Oman Refineries Limited”, a public limited company under the Companies Act pursuant to a joint venture agreement entered into between BPCL and OOCIL on December 23, 1993 to carry on refinery operations in India. Our Company obtained its certificate of commencement of business from the RoC on May 16, 1994.

Registered Office

‘A’ Block, Office Complex,
Gautam Nagar,
Bhopal, Madhya Pradesh- 462 023,
India.
Telephone: +91 755 4203179
Facsimile: +91 755 4203178
Email: investor@borl.in
Website: www.borl.in

We have not changed the Registered Office since incorporation.

Registration Number: 10-18162 of 1994

Company identification number: U11101MP1994PLC008162

Corporate Office

Administrative Office, Mumbai Refinery,
Bharat Petroleum Corporation Limited,
Mahul, Mumbai- 400 074,
India
Tel: +91 22 25545833/+91 22 25543898
Fax: +91 22 25541818

Address of the RoC

3rd Floor, ‘A’ Block,
Sanjay Complex, Jayendra Ganj,
Gwalior,
India.

Our Board

Name, designation and occupation	Age (years)	DIN Details	Residential Address
Mr. Ashok Sinha Chairman Non Executive Director Non Independent Director <i>Business Executive</i>	55	00070477	Flat No. 33, 1 – A, Altamount Road, Mumbai – 400 026, India.
Mr. Ramesh Prasad Singh Managing Director Executive Director Non Independent Director <i>Business Executive</i>	59	00292017	Bungalow No.4, BPCL Staff Colony, Aziz Baug, Chembur, Mumbai- 400 074, India.
Mr. Sudhir K. Joshi Non Executive Director Non Independent Director <i>Business Executive</i>	56	00066366	10, Narendra Bhavan, 51, Bhulabhai Desai Road, Mumbai- 400 026, India.
Mr. Raj Kishore Singh Non Executive Director Non Independent Director	54	00071024	Bungalow No.1, BPCL Staff Colony, Aziz Baug, Chembur,

Name, designation and occupation	Age (years)	DIN Details	Residential Address
<i>Business Executive</i>			Mumbai- 400 074, India.
Mr. Chandan Kumar Sengupta Non Executive Director Independent Director <i>Business Executive</i>	60	00052880	Flat No. 151, Vigyapan Lok Apartment, Mayur Vihar, Phase-I, New Delhi- 110 091, India.
Mr. Venugopal Venkatesh Non Executive Director Non Independent Director <i>Business Executive</i>	56	01949079(provisional)	Oman Oil Company Limited, P.O. Box 261, Postal Code 118, Sultanate Of Oman.
Mr. A.H. Kalro Non Executive Director Independent Director <i>Retired Professor</i>	65	00021408	K-62, Satellite Park, New Prabhu Park Co-operative Housing Society Limited, Near Jodhpur Char Rasta, Satellite Road, Ahemdabad- 380 015, India.
Mr. A.K. Mathur Non Executive Director Independent Director <i>Business Executive</i>	61	00119560	4202, Sector D/4, Vasant Kunj, New Delhi- 110 070, India.
Mr. U. Sundararajan Non Executive Director Independent Director <i>Business Executive</i>	65	00001533	1302, 13 th Floor, Whispering Palms, Building No.3, Lokhandwala Township. Akurli Road, Kandivali (E), Mumbai- 400 101, India.
Mr. R. Kannan Non-Executive Director Independent Director <i>Business Executive</i>	61	00380328	No. 21, Parthasarathypuram, North Usman Road, T. Nagar, Chennai- 600 017, India.

For further details of the members of our Board, see the section “Our Management” beginning on page 100.

Company Secretary and Compliance Officer

Investors can contact the compliance officer in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Equity Shares in the respective beneficiary accounts and refund orders at the following address:

Mr. Swroop Narain Mathur
Chamber No. 33,
Administrative Office, Mumbai Refinery,
Bharat Petroleum Corporation Limited
Mahul,
Mumbai- 400 074,
India.
Telephone: +91 22 2554 5833/+91 22 2554 3898
Facsimile: +91 22 2554 1818
Email: sn.mathur@borl.in

Book Running Lead Managers

SBI Capital Markets Limited

202, Maker Tower E,
Cuffe Parade,
Mumbai- 400 005,
India.
SEBI Registration Number: INM000003531

Tel: +91 22 2218 9166
Fax: +91 22 2218 8332
Email: borl.ipo@sbicaps.com
Website: www.sbicaps.com
Contact Person: Mr. Nishit Mathur
Investor Grievance ID: investor.relations@sbicaps.com

Citigroup Global Markets India Private Limited

12th Floor, Bakhtawar,
Nariman Point,
Mumbai- 400 021,
India.
SEBI Registration Number: INM000010718
Tel: +91 22 6631 9999
Fax: +91 22 6631 9803
Email: borl.ipo@citi.com
Website: www.citibank.co.in
Contact Person: Mr. Shitij Kale
Investor Grievance ID: investors.cgmib@citi.com

Enam Securities Private Limited

801/802, Dalamal Tower,
Nariman Point,
Mumbai- 400 021,
India.
SEBI Registration Number: INM000006856
Tel: +91 22 5638 1800
Fax: +91 22 2284 6824
Email: borlwg@enam.com
Website: www.enam.com
Contact Person: Ms. Dipali Dalal
Investor Grievance ID: borl.ipo@enam.com

ICICI Securities Limited

ICICI Centre,
H. T. Parekh Marg, Churchgate,
Mumbai- 400 020,
India.
SEBI Registration Number: INM000011179
Tel: +91 22 2288 2460/70
Fax: +91 22 2282 6580
Email: borl_ipo@isecltd.com
Website: www.icicisecurities.com
Contact Person: Mr. Vishal Kanjani
Investor Grievance ID: customercare@isecltd.com

JM Financial Consultants Private Limited

141 Maker Chambers – III,
Nariman Point,
Mumbai- 400 021,
India.
SEBI Registration Number: INM000010361
Tel: +91 22 6630 3030
Fax: +91 22 22047185
Email: ipo.borl@jmfinancial.in
Website: www.jmfinancial.in
Contact Person: Ms. Mamta Joshi
Investor Grievance ID: grievance.ibd@jmfinancial.in

Kotak Mahindra Capital Company Limited

3rd Floor, Bakhtawar,
Nariman Point,
Mumbai- 400 021,
India.
SEBI Registration Number: INM000008704
Tel: +91 22 6634 1110
Fax: +91 22 2283 7517
Email: borl.ipo@kotak.com
Website: www.kotak.com
Contact Person: Mr. Chandrakant Bhole
Investor Grievance ID: kmccredressal@kotak.com

Syndicate Members

[•]

Legal Advisors to the Issue

Domestic legal counsel to the Company

Luthra and Luthra Law Offices

704-706, Embassy Centre,
Nariman Point,
Mumbai- 400 001,
India.
Tel: +91 22 6630 3600
Fax: +91 22 6630 3700

Domestic legal counsel to the Underwriters

S&R Associates

64, Okhla Industrial Estate Phase III,
New Delhi- 110 020,
India.
Tel: +91 11 4069 8000
Fax: +91 11 4069 8001

International legal counsel to the Issue (as to English, New York and U.S Federal Law)

Ashurst LLP

Broadwalk House,
5 Appold Street,
London, EC2A 2HA.
Tel: +44 (20) 7638 1111
Fax: +44 (20) 7638 1112

Registrar to the Issue

M/s Karvy Computershare Private Limited

Karvy House,
46 Avenue – 4, Street No. 1,
Banjara Hills, Hyderabad 500 034
India.
SEBI Registration No.: INR000000221
Tel: +91 40 2331 2454
Fax: +91 40 2331 1968
Email: borl.ipo@karvy.com
Website: www.karvy.com
Contact Person: Mr. M. Murli Krishna

Bankers to the Issue and Escrow Collection Banks

[●]

Our Bankers/Lenders

Andhra Bank

Special Corporate Finance Branch,
No. 33, III Floor,
Atlanta, Nariman Point,
Mumbai – 400 021,
India.
Tel.: +91 22 2288 4877/ +91 22 2288 5846
Fax: +91 22 2288 5841

Bank of Maharashtra

Fort Branch,
Janmangal,
45/47, Mumbai Samachar Marg,
Mumbai – 400 023,
India.
Tel. : +91 22 2269 4160/ +91 22 2265 2595
Fax : +91 22 2265 2912

Central Bank of India

Corporate Finance Branch,
1st Floor, Central Bank Building, M.G. Road,
Fort, Mumbai – 400 023,
India.
Tel. : +91 22 2265 3083/ +91 22 2265 3010
Fax : +91 22 2265 0686

Indian Overseas Bank

Free School Street Branch,
6, Royd Street,
Kolkata – 700 016,
India.
Tel.: +91 33 2245 7492/+91 33 2229 7706
Fax: +91 33 2229 2375

Oriental Bank of Commerce

Corporate Group Finance Branch,
181-A, 18th Floor,
Maker Tower “E”, Cuffe Parade,
Mumbai – 400 005,
India.
Tel: +91 22 2215 4656
Fax: +91 22 2215 3533

State Bank of Hyderabad

Nariman Point Branch,
11-C Mittal Tower,
210, Nariman Point,
Mumbai – 400 021,
India.
Tel.: +91 22 2283 1598/ +91 22 2284 4096
Fax: +91 22 2284 1096/ +91 22 2285 1577

State Bank of Indore

Commercial Branch, Ground Floor,
Mittal Court “B” Wing,
Nariman Point,
Mumbai – 400 021,
India.
Tel.: +91 22 2283 5736/+91 22 2282 1582

Bank of Baroda

Corporate Financial Branch,
1st Floor, Ballard Pier,
3-Walchand Hirachand Marg,
Mumbai – 400 001,
India.
Tel.: +91 22 2261 6978
Fax: +91 22 2265 5778

Canara Bank

Industrial Finance Branch,
Canara Bank Building, II and III Floor,
Adi Marzban Road, Ballard Estate,
Mumbai – 400 038,
India.
Tel.: +91 22 2267 5437/+91 22 2266 6951
Fax: +91 22 2262 6641

Indian Bank

Mumbai Fort Branch,
United India Building, Sir P.M. Road,
Fort, Mumbai – 400 001,
India.
Tel. : +91 22 2266 2462/+91 22 2266 1484
Fax : +91 22 2266 0769

Life Insurance Corporation of India

Central office, Investment Department,
6th floor, Yogakshema,
Jeevan Bima Marg,
Mumbai – 400 021,
India.
Tel.: +91 22 6659 8619
Fax: +91 22 2281 0448/ +91 22 2282 2404

Punjab National Bank

Large Corporate Branch,
Ground floor, Maker Towers “E”,
Cuffe Parade,
Mumbai – 400 005,
India.
Tel: +91 22 2218 0752
Fax: +91 22 2218 0403/ +91 22 2218 8451

State Bank of India

Project finance SBU,
3rd floor, Corporate Centre,
State Bank Bhavan, Madam Cama Road,
Mumbai – 400 021,
India.
Tel.: +91 22 2288 3028/ +91 22 2285 2410
Fax: +91 22 2288 3021/ +91 22 2288 3558

State Bank of Mysore

Corporate Accounts Branch,
Mittal Court, “C” Wing,
Nariman Point,
Mumbai – 400 021,
India.
Tel.: +91 22 2279 0536/ +91 22 2285 1779

Fax: +91 22 2283 5735

State Bank of Patiala

Commercial Branch,
1st Floor, Atlanta Building,
Backbay Reclamation, Nariman Point,
Mumbai – 400 021,
India.
Tel.: +91 22 2284 4029
Fax: +91 22 5637 5703

The Jammu & Kashmir Bank Limited

79-A, Mehta House,
Bombay Samachar Marg,
Fort, Mumbai – 400 023,
India.
Tel. : +91 22 5659 5971/+91 22 5634 1832
Fax : +91 22 5659 5975

United Bank of India

United Bank of India Building,
25, Sir P.M. Road,
Fort, Mumbai – 400 001,
India.
Tel: +91 22 2287 3656
Fax: +91 22 2288 6909

Fax: +91 22 2204 4281

State Bank of Saurashtra

Fort Branch, Gresham House,
Sir P.M. Road, Fort,
Mumbai – 400 001,
India.
Tel.: +91 22 2261 3976
Fax: +91 22 2263 0823

Union Bank of India

Industrial Finance Branch,
Union Bank Bhavan,
239, Vidhan Bhavan Marg,
Nariman Point
Mumbai – 400 021,
India.
Tel.: +91 22 2202 4647
Fax: +91 22 2285 5037

ABN AMRO Bank N.V.

14, Veer Nariman Road,
Mumbai- 400 021,
India.
Tel: +91 22 6658 5801
Fax: +91 22 2204 2673

IPO Grading Agency

CRISIL Limited
CRISIL House, 121-122,
Andheri-Kurla Road, Andheri (E),
Mumbai- 400 093,
India.
Tel: +91 22 6691 3001
Fax: +91 22 6691 3187
Email: vdongre@crisil.com
Website: www.crisil.com
Contact Person: Ms. Vinaya. P. Dongre

This Issue has been graded by CRISIL Limited and has been assigned the “IPO Grade [●]” indicating [●], through its letter dated [●]. The IPO grading is assigned on a five point scale from 1 to 5 with an “IPO Grade 5” indicating strong fundamentals and an “IPO Grade 1” indicating poor fundamentals. A copy of the report provided by [●], furnishing the rationale for its grading will be available for inspection at our Registered Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Auditors to our Company

M/s Price Waterhouse
252, Veer Savarkar Marg,
Shivaji Park, Dadar,
Mumbai- 400 028,
India.
Tel: +91 22 6669 1261 / +91 22 6669 1500
Fax: +91 22 6654 7800
Email: vilas.rane@in.pwc.com
Website: www.pwc.com
Contact Person: Mr. Vilas Y. Rane

Statement of inter-se responsibilities of the BRLMs for the Issue

S. No.	Activity	Responsibility	Coordinator
1	Capital structuring with the relative components and formalities such as type of instruments, etc.	SBICaps, Citi, Enam, I-Sec, JM Financial, Kotak	SBICaps
2	Due diligence of the Company's operations/ management/ business plans/ legal, etc. Drafting and design of offer document and of statutory advertisement including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges and SEBI including □finalization of the Prospectus and filing with the Stock exchanges.	SBICaps, Citi, Enam, I-Sec, JM Financial, Kotak	SBICaps
3	Appointment of other Intermediaries <ul style="list-style-type: none"> • Registrars • Printers • Advertising Agency • Bankers to the Issue • Monitoring Agency • IPO Grading Agency 	SBICaps, Citi, Enam, I-Sec, JM Financial, Kotak	JM Financial
4	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertisement, brochure, etc.	SBICaps, Citi, Enam, I-Sec, JM Financial, Kotak	Enam
5	Domestic institutions/banks/mutual funds marketing strategy: <ul style="list-style-type: none"> • Finalise the list and division of investors for one on one meetings, institutional allocation • Finalising the domestic road show schedule and investor meetings 	SBICaps, Citi, Enam, I-Sec, JM Financial, Kotak	Kotak
6	International institutional marketing strategy and preparation of Roadshow marketing presentation: <ul style="list-style-type: none"> • Finalise the list and division of investors for one on one meetings, institutional allocation • Finalising the international road show schedule and investor meetings 	SBICaps, Citi, Enam, I-Sec, JM Financial, Kotak	Citi
7	Retail/Non-institutional marketing strategy which will cover, inter alia, <ul style="list-style-type: none"> • Finalize media, marketing and public relation strategy, • Finalize centers for holding conferences for brokers, etc. • Finalize collection centers, • Follow-up on distribution of publicity and Issue material including form, Prospectus and deciding on the quantum of the Issue material 	SBICaps, Citi, Enam, I-Sec, JM Financial, Kotak	Enam
8	Coordination with Stock Exchanges for book building software, bidding terminals and mock trading and coordinating with Company for 1% security deposit	SBICaps, Citi, Enam, I-Sec, JM Financial, Kotak	JM Financial
9	Finalisation of pricing, in consultation with our Company	SBICaps, Citi, Enam, I-Sec, JM Financial, Kotak	JM Financial

S. No.	Activity	Responsibility	Coordinator
10	<p>Post bidding activities including management of Escrow Accounts, co-ordinate non-institutional allocation, intimation of allocation and dispatch of refunds to Bidders, etc.</p> <p>The post issue activities of the Issue will involve essential follow up steps, which include finalization of trading and dealing instruments and dispatch of certificates and demat delivery of shares, with the various agencies connected with the work such as Registrars to the Issue, Banker to the Issue and the bank handling refund business. The BRLMs shall be responsible for ensuring that these agencies fulfill their functions and enable them to discharge this responsibility through suitable agreements with the Company.</p>	SBICaps, Citi, Enam, I-Sec, JM Financial, Kotak	I-Sec

Credit Rating

As the Issue is of equity shares, credit rating is not required.

Trustees

As the Issue is of equity shares, the appointment of trustees is not required.

Project Appraisal

SBICaps had prepared a project appraisal report for our lenders in relation to the debt facility provided by them in November 14, 2005. This appraisal report covered the scope of the Project, capital cost, project returns, funding pattern/ means of finance and other Project related parameters. The Project cost estimated in the appraisal report was Rs. 103,780.00 million and the means of finance was a debt-equity mix of 1.6:1. Since then, certain parameters such as Project scope, products' market distribution pattern and costs under individual heads have undergone changes and this appraisal report does not represent the current Project requirements. However, the overall Project cost as estimated in this appraisal report remains unchanged. The contact details of SBICaps are:

SBI Capital Markets Limited

202, Maker Tower E,
Cuffe Parade,
Mumbai- 400 005,
India.
Tel: +91 22 2218 9166
Fax : +91 22 2218 8332
Email : borl.ipo@sbicaps.com
Website: www.sbicaps.com

Monitoring Agency

[•]

Book Building Process

Book building refers to the collection of Bids from investors, on the basis of the Red Herring Prospectus, with the Issue Price being finalised after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

1. our Company;

2. the Book Running Lead Manager(s);
3. the Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. Syndicate Members are appointed by the BRLMs;
4. the Escrow Collection Bank(s); and
5. the Registrar to the Issue.

The Issue is being made through the 100% Book Building Process wherein at least 50% of the Net Issue shall be allocated on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. If at least 50% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, [●] Equity Shares shall be available for allocation on a proportionate basis to Eligible Employees subject to valid bids being received at or above the Issue Price.

The Book Building Process under the SEBI Guidelines is subject to change and investors are advised to make their own judgment about investment through this process prior to making a Bid or Application in the Issue.

Under the SEBI Guidelines, QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. In addition, QIBs are required to pay at least 10% of the Bid Amount upon submission of the Bid cum Application Form during the Bidding Period and allocation to QIBs will be on a proportionate basis. For further details, see the section “Terms of the Issue” beginning on page 293.

Our Company will comply with the SEBI Guidelines and any other directions issued by SEBI for this Issue. In this regard, we have appointed the BRLMs to manage the Issue and procure subscriptions to the Issue.

Steps to be taken by the Bidders for Bidding

- 1 Check eligibility for making a Bid (see the section “Issue Procedure – Who Can Bid?” on beginning on page 300);
- 2 Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- 3 Ensure that you have mentioned your PAN details (see the section “Issue Procedure” beginning on page 300);
- 4 Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form; and
- 5 Bids by QIBs will only have to be submitted to the BRLMs or the Syndicate Members.

Illustration of Book Building and Price Discovery Process

(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book below shows the demand for the shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
--------------	-----------------	---------------------	--------------

500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The issuer, in consultation with the book running lead managers, will finalise the issue price at or below such cut-off price, i.e., at or below Rs. 22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before Allotment, without assigning any reason therefore. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

Bid/Issue Programme

BID/ISSUE OPENS ON	[•]
BID/ISSUE CLOSES ON	[•]

Bids and any revision in Bids shall be accepted **only between 10.00 a.m and 3.00 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m and 3.00 p.m (Indian Standard Time)** and uploaded till (i) 5.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and (ii) till such time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs. 100,000. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will only be accepted on Working Days.

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Bidders after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLMs to the Stock Exchange within half an hour of such closure.

Our Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Guidelines provided that the Cap Price is less than or equal to 120% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised at least one day before the Bid /Issue Opening Date.

In case of revision of the Price Band, the Issue Period will be extended for three additional days after revision of the Price Band subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release and also by indicating the changes on the web sites of the BRLMs and at the terminals of other members of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price and allocation of our Equity Shares but prior to filing of the

Prospectus with RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions precedent to closing, as specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)

Name and Address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (Rs. Million)
SBI Capital Markets Limited 202, Maker Tower E, Cuffe Parade, Mumbai- 400 005, India.	[●]	[●]
Citigroup Global Markets India Private Limited 12 th Floor, Bakhtawar, Nariman Point, Mumbai- 400 021, India.	[●]	[●]
Enam Securities Private Limited 801/802, Dalamal Tower, Nariman Point, Mumbai- 400 021, India.	[●]	[●]
ICICI Securities Limited ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai- 400 020, India.	[●]	[●]
JM Financial Consultants Private Limited 141 Maker Chambers – III, Nariman Point, Mumbai- 400 021, India.	[●]	[●]
Kotak Mahindra Capital Company Limited 3 rd Floor, Bakhtawar, Nariman Point, Mumbai- 400 021, India.	[●]	[●]
[●]	[●]	[●]

The above mentioned amount is provided for indicative purposes only and will be finalised after determination of Issue Price and actual allocation of the Equity Shares. The Underwriting Agreement is dated [●].

In the opinion of the Board of Directors (based on certificates dated [●] given to them by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. The above Underwriting Agreement has been accepted by the Board of Directors and our Company has issued letters of acceptance to the Underwriters.

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default, the respective Underwriter in addition to other obligations to be defined in the Underwriting Agreement, will also be required to procure/subscribe to the extent of the defaulted amount in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

Our equity share capital before the Issue and adjusted for the Issue, as at the date of this Draft Red Herring Prospectus, is set forth below:

in Rs. million (except share data)

	Aggregate Nominal Value	Aggregate Value at Issue Price
A. Authorised Share Capital		
4,500,000,000 Equity Shares ⁽¹⁾	45,000	
B. Issued, Subscribed and Paid-Up Equity Share Capital before the Issue		
151,000,000 fully paid up Equity Shares	1,510	[●]
C. Preferential Allotment to the GoMP⁽²⁾	[●]	[●]
26,900,000 Equity Shares at par		
D. Issuance against Share Application Money to BPCL⁽³⁾		
[●] Equity Shares	[●]	[●]
of which:		
[●] Equity Shares towards balance of the Promoter Contribution ^(3a)	[●]	[●]
[●] Equity Shares at par ^(3b)	[●]	[●]
E. Preferential Allotment to BPCL⁽⁴⁾	[●]	[●]
[●] Equity Shares		
F. Present Issue in terms of the Red Herring Prospectus		
[●] Equity Shares ⁽⁵⁾	[●]	[●]
Of which:		
G. Employee Reservation Portion		
Up to [●] Equity Shares shall be available for allocation on proportionate basis to Eligible Employees	[●]	
H. Net Issue to the Public⁽⁶⁾		
Net Issue to Public of [●] Equity Shares	[●]	[●]
Of which:		
QIB Portion of at least 50% of the Net Issue, i.e., [●] Equity Shares of which Reservation for Mutual Funds is 5%, i.e., [●] Equity Shares	[●]	[●]
Non Institutional Portion of not less than 15% of the Net Issue, i.e., [●] Equity Shares	[●]	[●]
Retail Portion of not less than 35% of the Net Issue, i.e., [●] Equity Shares	[●]	[●]
I. Issued, Subscribed and Paid-Up Equity Share Capital after the Issue		
[●] Equity Shares	[●] ⁽⁷⁾	
J. Share Premium Account		
Before the Issue		NIL
After the Issue		[●] ⁽⁷⁾

⁽¹⁾ The authorized share capital of our Company was increased from Rs. 10,000,000 divided into 1,000,000 Equity Shares to Rs. 200,000,000 divided into 20,000,000 Equity Shares through a resolution passed by the shareholders of our Company on April 28, 1994. The authorized share capital of our Company was further increased from Rs. 200,000,000 divided into

20,000,000 Equity Shares to Rs. 22,000,000,000 divided into 2,200,000,000 Equity Shares through a resolution passed by the shareholders of our Company on May 19, 1996. The authorized share capital of our Company was further increased from Rs. 22,000,000,000 divided into 2,200,000,000 Equity Shares to Rs. 45,000,000,000 divided into 4,500,000,000 Equity Shares through a resolution passed by the shareholders of our Company on March 3, 2006.

- (2) Pursuant to a Memorandum of Understanding dated May 6, 2005 executed between the GoMP and our Company (the “**GoMP MoU**”), we were required to allot Equity Shares to the GoMP against Rs. 269 million which was the cost of the land allotted by it to BPCL for our Project. The GoMP MoU stipulated that such issuance was to be at a price not more than the price at which our Equity Shares were previously allotted to BPCL and OOCL. Accordingly, 26,900,000 Equity Shares will be allotted at par to the GoMP prior to the filing of the RHP with the RoC. For further details on the GoMP MoU, see the section “History and Certain Corporate Matters” beginning on page 89.
- (3) Pursuant to a resolution passed at an EGM held on March 6, 2007, the shareholders of our Company authorised the issue of convertible zero coupon debentures of Rs. 9,000 million to BPCL. BPCL paid the application money (the “**Debt Application Money**”) to our Company on March 9, 2007 against which the debentures were yet to be allotted. Subsequently, our Company, by a Board resolution dated January 18, 2008, authorised the conversion of the Debt Application Money into equity share application money (the “**Share Application Money**”) and such a decision was also authorised by a resolution passed at our EGM held on January 23, 2008. BPCL by a resolution of its shareholders dated January 31, 2008 also approved such conversion.

BPCL currently holds 50% of our pre-Issue paid-up equity share capital. BPCL, along with the GoMP, proposes to maintain a post-Issue equity shareholding of approximately 50% in our Company.

In terms of the resolution passed at the EGM held on January 23, 2008 it has been resolved that the Share Application Money will be utilised towards issuing Equity Shares to BPCL as set forth below:

- (3a) In order to comply with the SEBI Guidelines relating to minimum promoter’s contribution, BPCL will be allotted such number of Equity Shares, which along with its existing shareholding and the preferential allotment as mentioned in (4) below will constitute at least 20% of our post-Issue paid-up equity share capital. These Equity Shares will be issued at a price not less than the Issue Price at the time of Allotment.
- (3b) After the allocation of funds at the cap price for the issuance of the aforesaid Equity Shares in accordance with (3a) above, BPCL will be issued Equity Shares at par against any remaining amount of the Share Application Money prior to the filing of the Red Herring Prospectus with the RoC.
- (4) In terms of a resolution passed at our Board meeting held on March 20, 2008, it has been resolved as follows:

After the allotment of the Equity Shares against the Share Application Money as described in 3 above, if the shareholding of BPCL along with that of the GoMP is diluted below 50%, BPCL will subscribe further for the requisite number of Equity Shares at a price not less than the Issue Price pursuant to a preferential allotment.

The entire amount towards such preferential allotment shall be brought in at least one day prior to the opening of the issue. However, an amount up to Rs. 5,000 million may be raised by us from BPCL in advance, as share application money, towards such preferential allotment, prior to the filing of the RHP with RoC. Such amount would be utilised towards meeting the funding requirements of our Project and to ensure implementation of our Project in accordance with the schedule.
- (5) Our Company is considering a Pre-IPO Placement of Equity Shares with certain investors. The Pre-IPO Placement shall be made at the discretion of our Company. We will complete the issuance of Equity Shares for the Pre-IPO Placement prior to filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Net Issue would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post-Issue paid up equity share capital of our Company.
- (6) If, as a result of the pre-IPO Placement, the minimum Issue size falls below 25% of the post-Issue paid up equity share capital of our Company, the Issue will be made under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 with a minimum Issue size of at least 10%. Further at least 60% of the net Issue shall be allocated to Qualified Institutional Buyers, not less than 10% of the Net Issue shall be available for allocation to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation to Retail Individual Bidders, on a proportionate basis.
- (7) The means of finance for the Project comprise debt and equity in the ratio 1.6:1. Pursuant to our existing Sanctioned Project Loan, we have tied-up debt of Rs. 63,870 million for the Project. In order to bring in the required equity for this Project, it is estimated that the aggregate nominal value of our post-Issue paid-up equity share capital together with the share premium, will be approximately Rs. 40,000 million. Of such amount, we have already issued 151,000,000 Equity Shares at par aggregating Rs. 1,510 million. We have also received an amount of Rs. 9,000 million as Share Application Money. Further, we propose to issue 26,900,000 Equity Shares at par to the GoMP aggregating Rs. 269 million as described in (2) above. The remaining equity required for the Project, which is estimated to be approximately Rs. 29,221

million is proposed to be raised through this Issue and the proposed preferential allotments to BPCL or such other sources of finance, including by way of debt or equity, as the Company deems appropriate in accordance with applicable laws.

The Issue has been authorized pursuant to the resolution of our Board dated January 18, 2008 and by a special resolution passed under Section 81(1A) of the Companies Act, at the EGM of the shareholders of our Company held on January 23, 2008.

Notes to Capital Structure

1. Share Capital History

Date of allotment of the Equity Shares	No. of Equity Shares	Issue Price per Equity Share (Rs.)	Face value per Equity Share (Rs)	Consideration (cash or other than cash)	Reasons for allotment	Cumulative number of Equity Shares	Cumulative Issued Capital (Rs.)	Cumulative Share Premium (Rs.)
April 28, 1994	800	10	10	Cash	Initial allotment on subscribing to the Memorandum of Association ¹	800	8,000	Nil
October 21, 1994	499,600	10	10	Cash	Allotment to BPCL	500,400	5,000,400	Nil
October 21, 1994	499,600	10	10		Allotment to OOCL	1,000,000	10,000,000	Nil
October 10, 1995	9,500,000	10	10	Cash	Allotment to BPCL	10,500,000	105,000,000	Nil
October 10, 1995	9,500,000	10	10	Cash	Allotment to OOCL	20,000,000	200,000,000	Nil
March 26, 1997	10,000,000	10	10	Cash	Allotment to BPCL	30,000,000	300,000,000	Nil
March 26, 1997	10,000,000	10	10	Cash	Allotment to OOCL	40,000,000	400,000,000	Nil
July 17, 1997	20,000,000	10	10	Cash	Allotment to BPCL	60,000,000	600,000,000	Nil
July 17, 1997	20,000,000	10	10	Cash	Allotment to OOCL	80,000,000	800,000,000	Nil
February 7, 1998	15,000,000	10	10	Cash	Allotment to BPCL	95,000,000	950,000,000	Nil
February 7, 1998	15,000,000	10	10	Cash	Allotment to OOCL	105,000,000	1,050,000,000	Nil
April 25, 1998	15,000,000	10	10	Cash	Allotment to BPCL	120,000,000	1,200,000,000	Nil
April 25, 1998	15,000,000	10	10	Cash	Allotment to OOCL	135,000,000	1,350,000,000	Nil
March 27, 1999	5,500,000	10	10	Cash	Allotment to BPCL	140,500,000	1,405,000,000	Nil
March 27, 1999	5,500,000	10	10	Cash	Allotment to OOCL	151,000,000	1,510,000,000	Nil

¹. BPCL, Mr. U. Sundararajan, Mr. R. P Garg, Mr. J.B.S. Hazooria, OOCL, Mr. John Duess, Mr. Michael Corrie, Mr. Said Salim Mari Al-Shanfari were allotted 100 Equity Shares each aggregating to 800 Equity Shares at the time of initial allotment. Further, Mr. U. Sundararajan, Mr. R. P Garg and Mr. J.B.S. Hazooria were holding the Equity Shares as nominees of BPCL, and Mr. John Duess, Mr. Michael Corrie and Mr. Said Salim Marie Al- Shanfari were holding the Equity Shares as nominees of OOCL.

We have not made any issue of Equity Shares during the preceding one year from the date of the Draft Red Herring Prospectus.

2. Promoter Contribution and lock-in

The Promoter Contribution has been brought in to the extent of not less than the specified minimum lot and

from the persons defined as “Promoters” under Explanation I of Clause 6.8.3.2 of the SEBI Guidelines.

Our Promoter has, pursuant to an undertaking dated March 27, 2008, agreed not to sell/transfer/pledge/or dispose of in any manner, Equity Shares forming part of the Promoter Contribution from the date of filing this Draft Red Herring Prospectus until the date of commencement of lock-in as per the SEBI Guidelines.

a. Details of the build-up of the shareholding of our Promoter

Date of allotment / acquisition / sale	No. of Equity Shares*	Nature of Consideration	Acquisition Price per Equity Share (Rs.)	Nature of Transaction
April 28, 1994	400**	Cash	10	Subscription
October 21, 1994	499,600	Cash	10	Allotment
October 10, 1995	9,500,000	Cash	10	Allotment
March 26, 1997	10,000,000	Cash	10	Allotment
July 17, 1997	20,000,000	Cash	10	Allotment
February 7, 1998	15,000,000	Cash	10	Allotment
April 25, 1998	15,000,000	Cash	10	Allotment
March 27, 1999	5,500,000	Cash	10	Allotment
Total	75,500,000			

* The Equity Shares were fully paid up at the time of allotment. Hence, the date of them being made fully paid up is the same as the date of allotment.

** From the aggregate of 400 Equity Shares, Mr. U. Sundararajan, Mr. R. P Garg and Mr. J.B.S. Hazooria held 100 Equity Shares each as nominees of BPCL while the remaining 100 Equity Shares were held by BPCL.

b. Details of the Promoter Contribution locked in for three years:

- Pursuant to the SEBI Guidelines, the shareholding of the Promoter, comprising 20% of the post-Issue equity share capital of our Company, shall be locked-in for a period of three years. The lock-in shall start from the date of Allotment in the Issue and the last date of the lock-in shall be three years from the date of commencement of commercial production of the Refinery or the date of Allotment in the Issue, whichever is later.
- Pursuant to a resolution passed at an EGM held on March 6, 2007, the shareholders of our Company authorised the issue of convertible zero coupon debentures of Rs. 9,000 million to BPCL (the “**Debenture Application Money**”). BPCL paid the Debenture Application Money to our Company on March 9, 2007. However, the debentures against such amounts were yet to be allotted. Subsequently, our Company, by a Board resolution dated January 18, 2008, authorised the use of the Debenture Application Money as equity share application money (the “**Share Application Money**”) and such a decision was also authorised by a resolution passed at the EGM held on January 23, 2008. BPCL by the resolution of its shareholders dated January 31, 2008 also approved the said conversion of the Debenture Application Money as equity share application money.
- BPCL currently has 75.5 million Equity Shares and is proposing to further subscribe to such number of Equity Shares pursuant to a preferential allotment in this Issue, such that its shareholding along with the GoMP would not be less than 50% of our post-Issue share capital. These Equity Shares would be eligible for lock-in in terms of Clause 4.6 of the SEBI Guidelines. Further, in order to be in compliance with SEBI Guidelines relating to Promoters’ Contribution, a part of the Share Application Money shall be utilised towards BPCL’s subscription for such number of Equity Shares at a price not less than the Issue Price which would constitute along with the eligible Shares and the Equity Shares allotted pursuant to the preferential allotment, 20% of the post-Issue equity share capital of our Company. These Equity Shares will be allotted at Allotment.

Build Up of Eligible Shares of BPCL:

Date of Acquisition/ Transfer	Nature of Consideration	No. of Equity Shares	Face Value (Rs.)	Issue (Rs.)	Cumulative shareholding	Percentage of Pre Issue Capital	Percentage of Post Issue Capital
April 28, 1994	Cash	400*	10	10	[•]	[•]	[•]

October 21, 1994	Cash	499,600	10	10	[●]	[●]	[●]
October 10, 1995	Cash	9,500,000	10	10	[●]	[●]	[●]
March 26, 1997	Cash	10,000,000	10	10	[●]	[●]	[●]
July 17, 1997	Cash	20,000,000	10	10	[●]	[●]	[●]
February 7, 1998	Cash	15,000,000	10	10	[●]	[●]	[●]
April 25, 1998	Cash	15,000,000	10	10	[●]	[●]	[●]
March 27, 1999	Cash	5,500,000	10	10	[●]	[●]	[●]
[●]***			[●]	[●]	[●]	[●]	[●]

* From the aggregate of 400 Equity Shares, Mr. U. Sundararajan, Mr. R. P Garg and Mr. J.B.S. Hazooria held 100 Equity Shares each as nominees of BPCL while the remaining 100 Equity Shares were held by BPCL.

** The Equity Shares held by our Promoter are in the dematerialised form.

*** This will be finalised after the Issue Price is determined and the estimated number of Equity Shares to be issued will be disclosed in the Red Herring Prospectus.

c. Details of share capital locked-in for one year

In addition to the lock-in of the Equity Shares under the Promoter Contribution, the entire pre-Issue equity share capital of our Company, including the Equity Shares proposed to be issued in the Pre-IPO Placement, constituting 151,000,000 Equity Shares as of the date of this Draft Red Herring Prospectus, will be locked in for a period of one year from the date of Allotment.

d. Other requirements in respect of lock-in

In terms of Clause 4.15 of the SEBI Guidelines, the locked-in Equity Shares held by the Promoter can be pledged with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided the pledge of such shares is one of the terms of sanction of loan. Further, the Equity Shares under the Promoter Contribution may be pledged only if, in addition to fulfilling the above condition, the loan has been granted by such bank or financial institution for the purpose of financing one or more of the objects of the present Issue.

In terms of Clause 4.16.1(a) of the SEBI Guidelines, the Equity Shares held by shareholders other than the Promoter, which are locked in as per Clause 4.14 of the SEBI Guidelines, may be transferred to any other person holding the Equity Shares which are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

Further, in terms of Clause 4.16.1(b) of the SEBI Guidelines, the Equity Shares held by the Promoter may be transferred to and amongst the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

In addition, the Equity Shares subject to lock-in will be transferable subject to compliance with SEBI Guidelines, as amended from time to time.

3. Shareholding pattern of our Company

The table below represents the shareholding pattern of our Company before the Issue and as adjusted for the Issue:

Name of Shareholders	Pre-Issue		Post-Issue	
	No. of Equity Shares	%*	No. of Equity Shares	%

Name of Shareholders	Pre-Issue		Post-Issue	
	No. of Equity Shares	%*	No. of Equity Shares	%
Promoter				
BPCL	75,499,600	49.99	[●]	[●]
BPCL			[●]	[●]
Jointly with Mr. A. K. Bansal	100	Negligible		
BPCL			[●]	[●]
Jointly with Mr. R. P. Singh	100	Negligible		
BPCL			[●]	[●]
Jointly with Mr. R. Rajamani	50	Negligible		
BPCL			[●]	[●]
Jointly with Mr. S. Y. Oke	50	Negligible		
BPCL			[●]	[●]
Jointly with Mr. S. K. Joshi	100	Negligible		
Sub-total A	75,500,000	50.00	[●]	[●]
Other Shareholders				
Oman SAOC	75,499,700	49.99	[●]	[●]
			[●]	[●]
Mr. Malik Bin Muhanna Bin Said Al-Adawi	100	Negligible		
			[●]	[●]
Mr. Mohammed Bin Naseer Al-Khasibi	100	Negligible		
H.E. Salim Hassan Macki	100	Negligible	[●]	[●]
Sub-total B	75,500,000	50.00	[●]	[●]
Total (A+B)	151,000,000	100.00	[●]	[●]

*This is based on the assumption that such shareholders, other than the Promoter, shall continue to hold the same number of Equity Shares after the Issue. This does not include any Equity Shares that such shareholders, the Promoter or the Government of Madhya Pradesh may subscribe for and be allotted at the time of filing the Red Herring Prospectus with the RoC or simultaneously with the Issue, as applicable.

4. Top ten shareholders

The list of the top ten shareholders of our Company and the number of Equity Shares held by them is provided below:

- (a) Our top ten shareholders and the number of Equity Shares held by them as on the date of filing this Draft Red Herring Prospectus are as follows:

S. No.	Shareholder	No. of Equity Shares Held
1	Oman SAOC	75,499,700
2	BPCL	75,499,600
3	BPCL	
	Jointly with Mr. A. K. Bansal	100
4	BPCL	
	Jointly with Mr. R. P. Singh	100
5	BPCL	
	Jointly with Mr. S. K. Joshi	100
6	Mr. Malik Bin Muhanna Bin Said Al-Adawi	100
7	Mr. Mohammed Bin Naseer Al-Khasibi	100
8	H.E. Salim Hassan Macki	100
9	BPCL	
	Jointly with Mr. R. Rajamani	50
10	BPCL	
	Jointly with Mr. S. Y. Oke	50

- (b) Our top ten shareholders and the number of Equity Shares held by them ten days prior to filing of this Draft Red Herring Prospectus are as follows:

S. No.	Shareholder	No. of Equity Shares Held
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1	Oman SAOC	75,499,700
2	BPCL	75,499,600
3	BPCL Jointly with Mr. A. K. Bansal	100
4	BPCL Jointly with Mr. R. P. Singh	100
5	BPCL Jointly with Mr. S. K. Joshi	100
6	Mr. Malik Bin Muhanna Bin Said Al-Adawi	100
7	Mr. Mohammed Bin Naseer Al-Khasibi	100
8	H.E. Salim Hassan Macki	100
9	BPCL Jointly with Mr. R. Rajamani	50
10	BPCL Jointly with Mr. S. Y. Oke	50

- (c) Our top nine shareholders and the number of Equity Shares held by them as of two years prior to filing this Draft Red Herring Prospectus were as follows:

S. No.	Shareholder	No. of Equity Shares Held
1	OOCL	75,499,700
2	BPCL	75,499,600
3.	BPCL Jointly with Mr. A. K. Bansal	100
4.	BPCL Jointly with Mr. R. P. Singh	100
5.	BPCL Jointly with Mr. S. K. Joshi	100
6.	Mr. Malik Bin Muhanna Bin Said Al-Adawi as nominee of OOCL	100
7.	Mr. Mohammed Bin Naseer Al-Khasibi as nominee of OOCL	100
8.	H. E. Salim Hassan Macki as nominee of OOCL	100
9.	BPCL Jointly with Mr. J. B. S Hazooria	100

5. As on the date of this Draft Red Herring Prospectus, the total number of holders of Equity Shares is 10.
6. Our Company, our Promoter, the Directors and the BRLMs have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares from any person.
7. Except as disclosed in this section, our Promoter, directors of our Promoters, Directors and the BRLMs have not purchased or sold any Equity Shares in the six months preceding the date of filing of the Draft Red Herring Prospectus with SEBI.
8. The Issue is being made through the 100% Book Building Process, wherein at least 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allocation on a proportionate basis to all QIB bidders including Mutual Funds, subject to valid Bids being received from them, at or above the Issue Price. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and at not less than 35% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. The Issue includes an Employee Reservation Portion of up to [●] Equity Shares which are available for allocation to Eligible Employees. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion, Retail Portion and Employee Reservation Portion, would be allowed to be met with spill over from the other categories or a combination of categories, at the discretion of our Company, in consultation with the BRLMs.
9. Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion. For further details, see the section “Issue Structure” beginning on page 296.

10. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue and Bidders are subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidders.
11. Except for the issuance of Equity Shares to our Promoter, the GoMP and the Pre-IPO Placement, if any, there would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus to SEBI until the Equity Shares issued/to be issued pursuant to the Issue have been listed.
12. Except our Managing Director, Mr. R. P. Singh, and our Director, Mr. S. K. Joshi, who hold 100 Equity Shares each, jointly with BPCL, none of our Directors or our key managerial personnel hold any Equity Shares.
13. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
14. We have not raised any bridge loans against the proceeds of this Issue.
15. We have not issued any Equity Shares out of revaluation reserves and have not issued any Equity Shares for consideration other than cash.
16. The Equity Shares held by the Promoter are not subject to any pledge.
17. Our Promoter and members of our Promoter Group will not participate in this Issue.
18. Except as disclosed in this section, we presently do not intend or propose to alter our capital structure for a period of six months from the date of filing of this Draft Red Herring Prospectus, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise, except for the issuance of Equity Shares to the Promoter, the GoMP and the Pre-IPO Placement, if any.
19. There are certain restrictive covenants in the facility agreements entered into by our Company with certain lenders for short term and long term borrowing. For further details see the section "Financial Indebtedness" beginning on page 200. Further, in terms of the facility agreement, the following banks have consented to the Issue, Andhra Bank, pursuant to a letter dated February 7, 2008, Bank of Baroda, pursuant to a letter dated February 9, 2008, Bank of Maharashtra, pursuant to a letter dated February 7, 2008, Canara Bank, pursuant to a letter dated February 8, 2008, Central Bank of India, pursuant to a letter dated January 14, 2008, Indian Bank, pursuant to a letter dated February 5, 2008, Indian Overseas Bank, pursuant to a letter dated January 17, 2008, Life Insurance Corporation of India, pursuant to a letter dated February 8, 2008, Oriental Bank of Commerce, pursuant to a letter dated February 7, 2008, Punjab National Bank pursuant to a letter dated January 18, 2008, State Bank of Hyderabad, pursuant to a letter dated February 6, 2008, State Bank of India, pursuant to a letter dated February 7, 2008, State Bank of Indore, pursuant to a letter dated January 21, 2008, State Bank of Mysore, pursuant to a letter dated January 21, 2008, State Bank of Patiala, pursuant to a letter dated January 13, 2008, State Bank of Saurashtra, pursuant to a letter dated January 23, 2008, The Jammu & Kashmir Bank Limited, pursuant to a letter dated February 5, 2008, Union Bank of India, pursuant to a letter dated January 21, 2008, United Bank of India, pursuant to a letter dated February 7, 2008, and BPCL, pursuant to a letter dated February 5, 2008.
20. Except for (i) any issuance of Equity Shares pursuant to the Pre-IPO Placement (which shall be in accordance with, and subject to, the SEBI Guidelines and applicable laws and regulations); and (ii) the proposed allotment of Equity Shares to the Promoter and the Government of Madhya Pradesh prior to the Allotment, our Company will not, without the prior written consent of the BRLMs, during the period commencing from the date of the memorandum of understanding among our Company and the BRLMs dated March 26, 2008 and ending 180 (one hundred and eighty) calendar days after the date of the Prospectus: (i) issue, offer, lend, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to

purchase, lend or otherwise transfer, dispose of or create any encumbrances in relation to, directly or indirectly, any Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (ii) enter into any swap or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable as or exchangeable for the Equity Shares; or (iii) publicly announce any intention to enter into any transaction described in (i) or (ii) above; whether any such transaction described in (i) or (ii) above is to be settled by delivery of the Equity Shares or such other securities, in cash or otherwise.

21. The Company has not made any public issue since its incorporation.
22. An over-subscription to the extent of 10% of the Issue can be retained for purposes of rounding off to the nearest integer subject to a minimum allotment of [●] while finalizing the Basis of Allotment.

OBJECTS OF THE ISSUE

The object of the Issue is to partially fund the equity requirements towards the implementation of the Project (the “**Objects**”). We also intend to enjoy the benefits of listing our Equity Shares. For further details on the Project, see the section titled “Business” beginning on page 69.

Our Company intends to utilize the proceeds of the Issue, after deducting underwriting and management fees, selling commissions and other expenses associated with the Issue (the “**Issue Expenses**”) towards the Objects (such proceeds the “**Net Proceeds**”).

The main objects clause of our Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by us through this Issue.

Project Cost

The fund requirements and intended use of the Net Proceeds as described herein are based on the cost estimates provided to us by EIL, our Project Management Consultants. The total Project cost estimated by EIL as on August 2006 was at Rs. 103,780 million. However, with a view to validate the total Project cost at the stage where major commitments including orders for long lead equipments were made and over three hundred contracts were executed, our management commissioned EIL to revisit the cost estimates in October 2007. The cost validation exercise as carried out by EIL confirmed that our overall project cost was within the original estimate of Rs. 103,780 million.

This assessment by EIL was based on among other things: (i) cost estimates of items for which commitments (firm orders/contracts) were made based on awarded value; (ii) cost estimates for balance items were based on available technical and quantitative information and its in-house cost data for similar items.

The following table sets forth the estimated cost of various aspects of the Project:

Description	Total estimated cost (in Rs. Million)
Land	644.30
Site development	740.10
License fee, Know-how, Basic Engineering Fee	1,070.00
Plant and Machinery, Project Management Consultancy costs, Engineering Procurement Construction Management and other consultants costs(1)	82,599.80
Township, roads, buildings, workshop and lab equipments, and infrastructure and construction site facilities	3,583.40
Owners’ construction period expenses, issue expenses, upfront fees and syndication charges	2,350.00
Startup and commissioning	430.00
Working Capital Margin	4,500.00
Financing charges (Interest during construction)	6,580.00
Contingency Provisions	1,282.40
Total	103,780.00

(1) Plant and machinery related costs are crude import handling and transfer facilities, Refinery block, utilities and offsites, and bulk material.

However, in view of the inherent uncertainties relating to the oil and gas industry generally and implementation of the Project specifically, we may have to revise our expenditure, fund requirements and estimates of the completion dates. Moreover, these funding requirements are based on the existing estimates provided by EIL and the actual expenditure may vary. Our funding requirements are also dependent on a number of factors which may not be in the control of our management, including variations in the cost structure, changes in estimates, exchange rate fluctuations and external factors. Any such changes may result in rescheduling and revising the planned expenditure and funding requirements, at the discretion of our management.

Phasing of Project expenditure

Apart from the expenditure incurred towards the Project as of February 29, 2008, to an extent of Rs. 23,764.51 million, we have estimated the phasing of our balance expenditure towards the Project cost. The table below depicts the proposed expenditure in connection with the Project for the fourth quarter of Fiscal 2008, Fiscal

2009 and Fiscal 2010. The phasing of expenditure is based on the payment schedules of contracts entered into by us for the implementation of the Project and the actual physical progress schedule of the Project.

(in Rs. Million)

Description	Break up of the utilization of the estimated costs		
	March 1, 2008 to March 31, 2008	Fiscal 2009	Fiscal 2010
Land and Site Development	Nil	Nil	200.00
License fee, Know-how, Basic Engineering Fee	10.00	70.00	110.00
Plant and Machinery and Project Management Consultancy costs, Engineering Procurement Construction Management and other consultants costs ⁽¹⁾	3,977.59	34,491.00	25,600.00
Township, roads, buildings, workshop and lab equipments, and infrastructure and construction site facilities	70.00	1,476.00	1,054.00
Owners' construction period expenses, issue expenses, upfront fees and syndication charges	125.00	820.00	300.00
Startup and commissioning	Nil	Nil	430.00
Working capital Margin ⁽²⁾	Nil	Nil	4500.00
Financing charges (Interest during construction)	180.00	2,240.00	3,080.00
Contingency Provisions	Nil	513.00	770.00
Total	4,362.59	39,610.00	36,044.00

(1) Plant and machinery related costs are crude import handling and transfer facilities, Refinery block, utilities and offsites, and bulk material

(2) This represents the margin money requirements for the start-up phase of the Project

Project cost heads

1. Land and Site Development

The total cost for land and site development as per the requirements for the implementation of the Project is approximately Rs. 1,384.40 million, of which we expect to incur up to Rs. 200 million in Fiscal 2010.

The land requirement for the Project comprises land for (i) the Refinery including a township and related infrastructure facilities, (ii) the crude oil terminal, and (iii) the pumping stations, and also securing the right of use and right of way for the crude oil pipeline. The land required for the Refinery and the related infrastructure including the township at Bina has already been acquired by us. The land required for constructing the crude oil terminal has been acquired by our Promoter, BPCL, which has issued a no-objection certificate dated February 9, 2007 in favour of our Company for setting up of the COT and associated facilities at Vadinar.

For further details on the land requirements for the Project see the section "Our Business – Property" beginning on page 81.

The cost for site development includes the cost for (i) site servicing, (ii) site-construction, (iii) geo-technical survey, (iv) sea-bed survey, (v) soil investigation and (vi) site grading. Further, the major surveys and site grading work have been completed and the site construction work is currently in progress.

2. License fee, know-how, and basic engineering fees

The total cost for License fee, know-how, and basic engineering fees is approximately Rs. 1,070 million, of which we expect to incur up to Rs. 10 million from March 1, 2008 to March 31, 2008, Rs. 70 million in Fiscal 2009, and Rs. 110 million in Fiscal 2010.

The cost estimates under this category include the cost proposed to be incurred towards licensing of certain process technologies (which includes know-how fees), and towards services being provided by the licensors for the basic engineering and design review for the relevant facilities of the Project.

We have entered into agreements with certain licensors, namely, M/s. Lummus Technology Inc., Technip Benelux B.V, Chevron Lummus Global LLC and UOP LLC for providing us with license, basic engineering, and services for detailed engineering review, construction and commissioning assistance for various process technologies in relation to the implementation of the Project. For further details, see “Our Business – The Refinery – Refinery Configuration and Refining process” beginning on page 73.

As on February 29, 2008, we had obtained all the major process technologies licenses for the implementation of the Project. Further, a substantial portion of the basic engineering activities have been completed. The services related to detailed engineering are currently in progress. For further details see “Our Business – The Refinery – Refinery Configuration and Refining process” beginning on page 73.

3. **Plant and Machinery, Project Management Consultancy costs, Engineering Procurement Construction Management and other consultants costs**

The total cost for Plant and Machinery, Project Management Consultancy, Engineering Procurement Construction Management and other consultants is approximately Rs. 82,599.80 million, of which we expect to incur up to Rs. 3,977.59 million from March 1, 2008 to March 31, 2008, Rs. 34,491 million in Fiscal 2009, and Rs. 25,600 million in Fiscal 2010.

The cost estimates under this category includes the costs to be incurred towards the procurement of equipments, bulk materials, pipelines, spares, chemicals and catalysts, mechanical and civil works, erection and freight/insurance, relevant duties payable for the Project (including the SPM, COT, COP and the Refinery) and fees payable to EIL for providing us with project management consultancy services.

As of February 29, 2008 we had entered into over three hundred contracts, including lump sum turnkey contracts, erection and construction contracts and service contracts, related to the implementation of the Project. Set forth below is a list of the top fifteen contracts in terms of monetary value, representing approximately Rs. 40,000.00 million:

Serial Number	Item for Contract	Name of vendor/contractor	Effective date of Contract
1	Setting up of the Power Plant	Bharat Heavy Electricals Limited	September 29, 2006
2	Setting up sulphur block	Punj Lloyd Limited	August 3, 2007
3	Setting up hydrogen generation unit	Naftogaz India Private Limited	July 9, 2007
4	Setting up of reactors (FCHU/ DHDT)	China Petroleum Technology and Development Corporation	November 13, 2006
5	Supply of line pipes for the COP	PSL Limited	November 29, 2006
6	Providing of project management consultancy services.	Engineers India Limited	December 31, 2005
7	Installation of a coke drum system package	Naftogaz India Private Limited	July 5, 2007
8	Laying of pipeline and associated works in relation to the COP	Essar Constructions	August 1, 2007

Serial Number	Item for Contract	Name of vendor/contractor	Effective date of Contract
	situated at Gujarat.		
9	Supply of line pipes for the COP.	Jindal SAW Limited	November 29, 2006
10	Laying of pipeline and associated works in relation to the COP situated at Madhya Pradesh.	Kalpataru Power Transmission Limited	August 1, 2007
11	Installation of the fired heaters for HCU / DHDT - Bina Refinery	Petron Engineering Construction Limited	August 13, 2007
12	Supply of MUG Compressors - HCU / DHDT	Dresser Rand India Limited	May 31, 2007
13	Providing for a three layer polyethylene coating for the COP.	Welspun Gujarat Stahl Rohren Limited	March 9, 2007
14	Supply of equipments for MS Block & Hydrogen Unit (Pressure Swing Adsorption units)	UOP India Private Limited /UOP,NV,Belgium	April 5, 2007
15	Civil and structural works for offsites	Simplex Limited Infrastructures	February 8, 2007

4. Township, roads, buildings, workshop and lab equipments, and infrastructure and construction site facilities

The total cost for township, roads, buildings, workshop and lab equipments, and infrastructure and construction site facilities is approximately Rs. 3,583.40 million, of which we expect to incur up to Rs. 70 million till March 31, 2008, Rs. 1,476 million in Fiscal 2009, and Rs. 1,054 million in Fiscal 2010.

This cost head includes the costs associated with setting up the township facility, workshops for maintenance of equipments and other standard infrastructure facilities to meet the power and water requirements during the Project construction phase and distribution of utilities for the township.

5. Owners' construction period expenses, issue expenses, upfront fees and syndication charges

The total cost for owners' construction period expenses, issue expenses, upfront fees and syndication charges is approximately Rs. 2,350 million, of which we expect to incur up to Rs. 125 million from March 1, 2008 to March 31, 2008, Rs. 820 million in Fiscal 2009, and Rs. 300 million in Fiscal 2010.

The cost estimate under this category includes the administration costs, costs incurred towards payment of salaries and travel of personnel, the upfront fees payable for the loan syndication and the expenditure to be incurred in relation to the present Issue.

6. Startup and commissioning

The total cost for startup and commissioning is approximately Rs. 430 million, which we expect to incur entirely in Fiscal 2010.

The cost estimates under this category include costs towards services provided by licensors personnel for pre-commissioning and commissioning, start-up raw materials, consumable chemicals and fuels besides additional costs incurred by owner towards start-up activities.

7. Working Capital Margin

We estimate our working capital margin requirement to be approximately Rs. 4,500 million and such requirement is calculated as 25% of our net working capital requirement. We expect to incur the entire expenditure in relation to the working capital margin in Fiscal 2010.

This estimate of our net working capital requirements is based on the following inventory levels:

Item	Number of days/estimates/Inventory - equivalents
Crude stock	27 days of stock
Product	5 days of stock
Account receivable	21 days revenue equivalent
Catalyst/Chemicals	30 days of stock
Spares	30 days consumption
Cash expenses	30 days of cash expense

8. Financing charges (Interest during construction)

The total cost for financing charges is approximately Rs. 6,580 million, of which we expect to incur up to Rs. 180 million from March 1, 2008 to March 31, 2008, Rs. 2,240 million in Fiscal 2009, and Rs. 3,080 million in Fiscal 2010.

This head represents the interest payable by us during the Project implementation period, on the loans availed by us.

For further details on the terms and conditions of the debt facility availed by us including the rates of interest, see the section titled "Financial Indebtedness" beginning on page 200.

9. Contingency Provisions

We have made contingency provision for a sum of approximately Rs. 1,282 million of which, we estimate to incur Rs. 513 million in Fiscal 2009 and Rs. 770 million in Fiscal 2010.

Contingency provisions are made towards unanticipated changes that may be required in the Project specifications during the implementation of the Project resulting in an additional expenditure. Typically, these provisions are allocated based on the level of firm commitments made on the Project and the balance contracts/services/material procurement yet to be awarded.

Means of Finance

Our Company intends to finance the Project by a combination of debt and equity in the ratio of 1.6:1. The capital cost of the Project is estimated to be Rs. 103,780.00 million, which we propose to fund through debt of approximately Rs. 63,870.00 million and equity of approximately Rs. 40,000.00 million, including proceeds of the Issue.

Means of Finance	Amount in Rs. million
Debt	63,870.00
Equity (Comprising of)	
• Net Issue Proceeds	[●]
• Paid up equity share capital prior to the Issue.	1,510.00
• Equity contribution by the Government of Madhya Pradesh	269.00
• Equity contribution by the Promoter (Share Application money pending allotment)	9000.00
• Equity contributions to be made by the Promoter	[●]
Sub Total	40,000.00
Total	103,870.00

Debt:

We have entered into a Sanctioned Project Loan with a consortium of lenders for availing of a loan of Rs.

63,870.00 million. The details of the Sanctioned Project Loan are as follow:

Name of Lender	Facility (Rs. In million)	Amount drawn as on March 15, 2008 (Rs. in million)	Amount available for draw down as on March 15, 2008 (Rs. in million)
Senior Lenders			
Andhra Bank	1,500.00	332.40	1,167.60
Bank of Baroda	5,000.00	1,108.00	3,892.00
Bank of Maharashtra	1,000.00	221.60	778.40
Canara Bank	3,500.00	775.70	2,724.30
Central Bank of India	5,000.00	1,108.00	3,892.00
Indian Bank	1,000.00	221.60	778.40
Indian Overseas Bank	3,000.00	664.90	2,335.10
Life Insurance Corporation of India	5,000.00	1,108.00	3,892.00
Oriental Bank of Commerce	4,000.00	886.40	3,114.60
Punjab National Bank	5,000.00	1,108.00	3,892.00
State Bank of Hyderabad	1,500.00	332.40	1,167.60
State Bank of India	7,500.00	1,662.10	5,837.90
State Bank of Indore	1,500.00	332.40	1,167.60
State Bank of Mysore	1,000.00	221.60	778.40
State Bank of Patiala	3,000.00	664.90	2,335.10
State Bank of Saurashtra	1,000.00	221.60	778.40
The Jammu & Kashmir Bank Limited	2,500.00	554.00	1,946.00
Union Bank of India	6,000.00	1,329.70	4,670.30
United Bank of India	2,900.00	642.80	2,257.20
Sub-total A	60,900.00	13,496.10	47,404.70
Subordinate Lenders			
BPCL	2,970.00	658.20	2,311.80
Sub-total B	2,970.00	658.20	2,311.80
Total (A+B)	63,870.00	14,154.30	49,716.50

As on March 15, 2008, we have drawn down an amount of Rs. 14,154.30 million from our Sanctioned Project Loan. For further details see the section “Financial Indebtedness” beginning on page 200.

Equity:

As on February 29, 2008, our issued, subscribed and paid equity up share capital was Rs. 1,510.00 million. We also had received an amount of Rs. 9,000.00 million received from our Promoter, BPCL, as application money towards issuance of convertible zero coupon debentures, which has been subsequently converted to share application money. The Net Proceeds from the Issue (including the Share Application Money received from BPCL and further preferential allotment of Equity Shares to BPCL) will be utilized towards funding the remaining equity capital requirements of the Project. For further details see the section “Capital Structure” beginning on page 30.

Project Expenditure

The total expenditure incurred by us (represented through fixed assets, capital work in progress and net pre-operative expenditure pending capitalisation) in relation to the implementation of the Project as on February 29, 2008, as certified by M/s Chandan S. Gupta and Co., Chartered Accountants, pursuant to their certificate dated March 10, 2008, is Rs. 23,764.51 million.

The details of the individual cost components of the said expenditure are as follows:

Fixed Assets

As at February 29, 2008, we had net fixed assets of Rs. 391.14 million, consisting of Rs. 338.64 million of land, Rs. 39.40 million of buildings and Rs. 22.69 million of office equipment, furniture and fixtures and computer equipment and Rs. 16.55 million for the procurement of computer software.

Capital Work in Progress

As at February 29, 2008, we had capital work in progress of Rs. 19,358.91 million, consisting of Rs. 17,788.71 million of construction work in progress and Rs. 1570.20 million of advances of a capital nature.

Pre-operative Expenditure Pending Capitalization

As at February 29, 2008, we had a net pre-operative expenditure pending capitalization of Rs. 4,014.46 million.

This expenditure was funded out of a mix of debt and equity capital as explained earlier. For further details see the section “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Analysis of Changes of Selected Balance Sheet Items” beginning on page 186.

Further, as of December 31, 2007, we have made total commitments to the extent of Rs. 81,034.21 million which includes expenditure incurred of Rs. 17,756.22 million and commitments of Rs. 63,277.99 million on firm orders and contracts representing approximately 80% of the total estimated Project cost. For further details see the section “Financial Statements – Audited Financial Statements – Notes to Account 4 – Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)” beginning on page 182.

Project implementation

The Project is being executed through a hybrid methodology. Certain facilities of the Refinery are being constructed on a lumpsum turnkey contract basis such as the Power Plant, the sulphur recovery unit and the hydrogen plant. The process plants, offsites, and utilities, among other facilities, are being implemented using a conventional methodology in which equipment and material is procured by us and the construction is carried out by third party contractors under the supervision and assistance of EIL. The execution of infrastructure facilities, such as the township and the access road to the Refinery, are proposed to be implemented under the supervision and control of our in-house project team with the assistance of the EIL and other suitable consultants and contractors.

Schedule of the Project Implementation

Set forth below is the expected completion schedule for various aspects of the Project, commencing from January 1, 2006 (which, is the date on which we finalized the plans for the Project), as estimated and confirmed by EIL by a certificate dated March 18, 2008:

Description of Activity	Expected Schedule of Completion from Zero Date
Project Zero Date	January 1, 2006
Basic Engineering	26 months
Detailed Engineering	38 months
Procurement, Manufacturing and Delivery	42 months
Construction/Commissioning	42/48 months

The table below represents the scheduled percentage completion for the Project and the actual percentage completion as of February 15, 2008, as estimated and confirmed by EIL by a certificate date March 18, 2008.

Description of Activity	Scheduled percentage completion as of February 15, 2008 ⁽¹⁾	Assessed percentage completion as of February 15, 2008 ⁽¹⁾
Project Zero Date	January 1, 2006	January 1, 2006
Basic Engineering	98.37	97.32
Detailed Engineering	72.05	77.3
Procurement, Manufacturing	56.03	74.44
Construction / Commissioning ⁽²⁾	29.70	31.30
Overall Progress ⁽³⁾	43.7	49.5

- (1) The progress of financial expenditure with respect to the Project differs from the physical progress of the Project and thus does not correspond to percentage completion.
- (2) Commissioning and construction currently reflects the progress achieved in construction activities. Commissioning activities were not scheduled to commence as of February 15, 2008.
- (3) At the initiation of Project, a complete schedule of the project with milestones and appropriate weightage for key activities are established. The entire project activities are divided into four major activities namely basic engineering (largely comprising of process engineering and heat and mass transfer engineering), detailed engineering, procurement (largely including ordering, tendering, manufacturing and delivery) and construction / commissioning. Weighted values (percentage values) have been assigned to these individual activities. The overall Project progress indicated above has been arrived based on this methodology and reflects the Project status as of February 15, 2008.
- (*) Construction and commissioning activities will proceed concurrently and all units will be commissioned progressively and completed by January 1, 2010.

Issue Related Expenses:

The Issue related expenses include, among others, underwriting and selling commissions, printing and distribution expenses, legal fees, advertisement expenses and registrar and depository fees. The estimated Issue expenses are as follows:

Activity	Expense (Rs. in million)
Lead management, underwriting and selling commissions	●
Advertising and marketing expenses	●
Printing and stationery	●
Other (Registrar's fees, IPO Grading Expenses legal fees, etc.)	●
Total estimated Issue expenses	●

Issue expenses will be finalized upon finalization of the Issue Price other than the listing fee which will be paid by our Company.

Interim Use of Proceeds:

Pending utilization for the purposes described above, our Company intends to invest the funds in high quality interest bearing liquid instruments including money market mutual funds and deposits with banks, for the necessary duration or for reducing overdrafts. Such investments would be in accordance with investment policies approved by our Board from time to time. The Company confirms that pending utilization of the Net Proceeds; it shall not use the funds for any investments in the equity markets.

Project Appraisal:

SBI Capital Markets Limited had prepared a project appraisal report for the aforementioned lenders, in relation to the debt facility proposed to be provided by them, dated November 14, 2005. This appraisal report covered the scope of the Project, capital cost, project returns, funding pattern/ means of finance and other Project related parameters. The Project cost estimated in the appraisal report was Rs. 103,780.00 million and the means of finance was a debt-equity mix of 1.6:1. Since then, certain parameters such as Project scope, products' market distribution pattern and costs under individual heads have undergone changes and this appraisal report does not represent the current Project requirements. However, the overall Project cost as estimated in this appraisal report remains unchanged.

Cash flow statement indicating deployment of funds from Promoter Contribution towards the Objects of the Issue:

Promoter Contribution*	Amount (in Rs. million)
Equity Share issued to BPCL	755.00
Share Application Money by BPCL	9000.00
Total	9755.00

*For further details on Promoter Contribution see section titled "Capital Structure" beginning on page 30.

Shortfall of funds:

In case of any shortfall or cost overrun for the above Project, we intend meeting the funds requirements through

a range of options which may include additional debt or equity from lenders or shareholders, subject to obtaining necessary consent from our lenders under the Sanctioned Project Loan.

Bridge Loan:

We have not entered into any bridge loan facility that will be repaid from the Net Proceeds.

Monitoring of Utilization of Funds:

We have appointed [●] as a monitoring agency for this Issue. In addition, our Board will also monitor utilization of the Net Proceeds. We will disclose the details of the utilization of the Net Proceeds, including interim use, under a separate head in our financial statements for Fiscal 2009 and Fiscal 2010, specifying the purpose for which such proceeds have been utilized or otherwise.

Pursuant to Clause 49 of the listing agreement with the Stock Exchanges, our Company shall on a quarterly basis disclose, to the audit committee of our Board, the uses and applications of the proceeds of the Issue. Such disclosures shall be made only till such time that the proceeds of the Issue are fully utilised.

Working Capital Requirement:

As disclosed in the Funding Requirements above, certain part of the Net Proceeds would be utilized as margin money to meet the working capital requirement on commencement of production until adequate cash is generated from our operations or alternative funding for working capital requirements for the operating phase is tied up.

Confirmations:

No part of the Net Proceeds will be paid by the Company as consideration to the Promoter, the Directors, the Company's key management personnel or companies promoted by the Promoter.

BASIS FOR ISSUE PRICE

Basis for Issue Price

The Issue Price will be determined by us in consultation with the BRLMs on the basis of assessment of market demand, and on the basis of the following qualitative and quantitative factors, for the Equity Shares offered through the Book Building Process. The face value of the Equity Shares is Rs. 10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Qualitative Factors

For further information on the qualitative factors which form the basis for deciding the price, see the sections 'Our Business' and 'Risk Factors' beginning on page 69 and xvii, respectively.

Quantitative Factors

The information presented in this section is derived from the Company's restated financial statements prepared in accordance with the SEBI Guidelines and the Companies Act. Some of the quantitative factors, which form the basis for deciding the price, are as follows:

1. Weighted Average Earning Per Share (EPS) (Diluted)

Financial Period	EPS (Rs.)	Weight
Year ended March 31, 2005	NA	1
Year ended March 31, 2006	NA	2
Year ended March 31, 2007	NA	3
Weighted Average	NA	

Since the Company is in the pre-operative stage, no profit and loss account has been prepared yet. Hence, the EPS of the Company is NIL.

2. Price Earning Ratio (P/E Ratio)

P/E based on the year ended March 31, 2007: NA

Peer group P/E*

Highest: 22.9

Lowest: 6.2

Peer group Average: 14.3

* P/E based on trailing twelve month earnings for the peer set we have shown below.
Source: Capital Market Vol. XXIII/01 dated Mar 10- 23, 2008(Industry-Refineries)

3. Weighted average return on Net Worth

Financial Period	Return on Net Worth (Rs.)	Weight
Year ended March 31, 2005	NA	1
Year ended March 31, 2006	NA	2
Year ended March 31, 2007	NA	3
Weighted Average	NA	

Since the Company is in the pre-operative stage, no profit and loss account has been prepared yet. Hence, the return on net worth of the Company is NIL.

4. Net Asset Value ("NAV")

Financial Period	Net Asset Value per Equity Share (Rs.)	Weight
Year ended March 31, 2005	9.94	1
Year ended March 31, 2006	9.93	2
Year ended March 31, 2007	9.93	3
Weighted Average	9.93	

As of December 31, 2007, the NAV was Rs. 9.94.

NAV has been computed as per the following formula:

Net asset value (NAV) per share (Rs.) = _____

Net worth, as restated, at the end of the year / period

Number of equity shares outstanding at the end of the year/ period [including number of equity shares to be issued against outstanding share application money]

5. Comparison with other Listed Peer Companies

	EPS (Rs) (TTM)*	P/E ratio	Net Asset Value per Equity Share For Fiscal 2007	RoNW (%) For Fiscal 2007
Bharat Oman Refineries Limited	NA	NA	9.93	NA
Peer Group**:				
Bharat Petroleum Corporation Limited	57.9.	8.1	284.2	18.7
Hindustan Petroleum Corporation Limited	38.8	7.5	282.9	17.1
Indian Oil Corporation Limited	87.8	6.2	292.3	19.5
Mangalore Refinery and Petrochemicals Limited	7.0	12	15.7	22.5
Reliance Industries Limited	100.5	22.9	421.8	20.5
Peer Group Average	58.4	11.34	259.3	19.6

* TTM – Trailing Twelve Months extracted from Capital Market Vol. XXII/22 dated Dec 31- Jan 13, 2008.

** Source: Capital Market Vol. XXIII/01 Mar 10-23, 2008, (Industry- Refineries); only select companies that represent oil refining companies have been identified as peer group.

All data for peer group companies are for full Fiscal 2007; all figures for the Company are based on its financial statements and for the year ended March 31, 2007. The P/E is based on Market Price/EPS (TTM). EPS is based on net profit divided by number of equity shares. The NAV is arrived at by dividing the sum of equity and reserves (excluding revaluation reserves) by the number of equity shares.

The Issue Price of Rs. [●] is determined by the company, in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares through the Book Building Process and is justified based on the above accounting ratios. For further information, see the sections 'Risk Factors', 'Our Business' and 'Financial Statements' beginning on pages xvii, 69 and 133, respectively.

STATEMENT OF TAX BENEFITS

March 27, 2008

Bharat Oman Refineries Limited,
Mahul,
Mumbai - 400074

Dear Sirs,

Statement of Possible Direct Tax Benefits

We hereby report that the enclosed annexure states the possible tax benefits available to Bharat Oman Refineries Limited ("Company") and its shareholders under the current tax laws in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not fulfill.

The benefits discussed below are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of his or her participation in the issue.

We do not express any opinion or provide any assurance whether:

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been or would be met.

The contents of the annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated by you. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the use of Bharat Oman Refineries Limited. We shall not be liable to Bharat Oman Refineries Limited for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

Thanking you,

Yours faithfully,

Vilas Rane

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO BHARAT OMAN REFINERIES LIMITED AND TO ITS SHAREHOLDERS

A. Under the Income Tax Act, 1961 (“the Act”)

I. Benefits available to the Company

A. Business Income

1. In accordance with and subject to the conditions specified under section 80-IB (9) of the Act, the Company is eligible for hundred per cent deduction of the profits derived from the business of production or refining of mineral oil for a period of seven consecutive starting from the assessment year in which the commercial production or refining of mineral oil commences.

Finance Bill 2008 has proposed to amend Section 80IB(9) to provide that no deduction under this sub-section shall be allowed to an undertaking engaged in refining of mineral oil, if it begins refining on or after the 1st day of April, 2009

2. The Company is entitled to claim depreciation under section 32 of the Act, on specified tangible and intangible assets owned by it and used for the purpose of its business.
3. *As proposed by the Finance Bill 2008, the Company shall be eligible for a weighted deduction of 1.25 times of any sum paid to a company to be used by it for scientific purpose, subject to fulfillment of the conditions provided in the proposed Section 35(1)(ia)*
4. The Company shall be eligible for amortization of preliminary expenditure as specified in section 35D of the Act being expenditure on public issue of shares, subject to meeting the conditions and limits specified in that section.
5. As per section 35DDA, the company is eligible for deduction in respect of payments made to its employees in connection with their voluntary retirement of an amount equal to 1/5th of such expenses over 5 successive AYs subject to conditions specified in that section.
6. Business losses, if any, for any AY which cannot be set off against income of the year under any other head, can be carried forward and set off against business profits for eight subsequent AYs.
7. As per section 115JB, while calculating “book profits” for the purpose of “Minimum Alternate Tax”, the Company will not be entitled to reduce the long term capital gains to which the provisions of section 10(38) of the Act apply.

Further, as per Section 115JAA(1A), the company is eligible to claim credit for Minimum Alternate Tax (“MAT”) paid for any AY commencing on or after April 1, 2006 against normal income-tax payable in subsequent AYs. MAT credit shall be allowed for any AY to the extent of difference of the tax paid for any AY under 115JB and the amount of tax payable as per the normal provisions of the Act for that AY. Such MAT credit will be available for set-off upto 7 years succeeding the AY in which the MAT credit is allowed.

B. Dividend Income

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003 by domestic companies) is exempt from tax, subject to disallowance, if any, under section 14A, for expenditure incurred in relation to earning such dividend
2. As per section 10(35) of the Act, the following income will be exempt from tax in the hands of the Company:

- a. Income received in respect of the units of a Mutual Fund specified under Section 10(23D); or
- b. Income received in respect of units from the Administrator of the specified undertaking; or
- c. Income received in respect of units from the specified company:

However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified Company or of a mutual fund specified u/s. 10(23D), as the case may be.

For this purpose (i) “Administrator” means the Administrator as referred to in section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) “Specified Company” means a company as referred to in section 2(h) of the said Act.

C. Capital Gains

1. As per section 10(38) of the Act, long term capital gains arising to the Company from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to Securities Transaction Tax (‘STT’), will be exempt in the hands of the Company.

For this purpose, “equity oriented fund” means a fund –

- (i) where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty-five percent of the total proceeds of such funds; and
 - (ii) which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.
2. Under section 48 of the Act, the long term capital gains (in cases not covered under section 10(38) of the Act) arising out of sale of capital assets excluding bonds and debentures (except Capital Indexed Bonds issued by the Government) will be computed after indexing the cost of acquisition/ improvement.
 3. As per section 111A of the Act, short term capital gains arising to the Company from the sale of equity shares or units of an equity oriented mutual fund transacted through a recognized stock exchange in India, where such transaction is chargeable to STT, will be taxable at the rate of 10% (plus applicable surcharge and education cess).

The Finance Bill 2008 has proposed to increase the tax rate on aforesaid short term capital gains from 10% to 15% (plus applicable surcharge and education cess)

4. As per section 112 of the Act, long-term capital gains on sale of listed securities or units or zero coupon bonds (in cases not covered under section 10(38) of the Act) will be charged to tax at the lower of:
 - 20% (plus applicable surcharge and education cess) after considering indexation benefits in accordance with and subject to the provisions of section 48 of the Act; or
 - 10% (plus applicable surcharge and education cess) without indexation benefits.
5. As per section 71 read with section 74, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains for subsequent 8 years.
6. As per section 71 read with section 74, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, should be carried forward and set-off against subsequent year’s long term capital gains for subsequent 8 years.
7. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a “long term specified asset” within a period of six months after the date of such transfer.

If only part of the capital gains is so reinvested, the exemption shall be proportionately reduced.

However, if the assessee transfers or converts the long term specified asset into money within a period of

three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

- (i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
- (ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

As per 1st Proviso to Section 54EC(1), the investments made in the Long Term Specified Asset on or after April 1, 2007 by any assessee during the financial year should not exceed 50 Lakhs rupees.

D. Credit for Dividend Distribution Tax (‘DDT’) paid by a subsidiary company

Finance Bill 2008 has proposed to amend Section 115-O of the Act to provide that, in order to compute the DDT payable by a domestic company, the amount of dividend paid by it would be reduced by the dividend received by it from its subsidiary company during the financial year, if:

- *The subsidiary company has paid DDT on such dividend; and*
- *The domestic company is itself not a subsidiary of any company.*

For this purpose, a company would be considered as a subsidiary if the domestic company holds more than half its nominal equity capital.

II. Benefits available to Resident Shareholders

A. Dividend Income

As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003 by domestic companies) received on the shares of the Company is exempt from tax, subject to disallowance, if any, under section 14A, for expenditure incurred in relation to earning such dividend.

B. Capital Gains

1. Benefits outlined in Paragraph 1.C above are also applicable to resident shareholders. In addition to the same, the following benefits are also available to resident shareholders.
2. As per section 54F of the Act, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family will be exempt from tax if the net consideration is utilised as under:
 - In the purchase of a residential house within a period of one year before, or two years after the date of transfer; or
 - For construction of a residential house within three years.

Such benefit will not be available:

- (a) if the individual or Hindu Undivided Family-
 - owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
 - purchases another residential house within a period of one year after the date of transfer of the shares; or
 - constructs another residential house within a period of three years after the date of transfer of the shares; and
- (b) if the income from such new residential house is chargeable under the head “Income from house property”.

If only a part of the net consideration is so invested, so much of the capital gain as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration will be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, will be deemed to be income chargeable under the head “capital gains” of the year in which the residential house is transferred.

C. Rebate

As per section 88E of the Act, the STT paid by the shareholder in respect of taxable securities transactions entered into in the course of the business will be eligible for deduction from the amount of income tax on the income chargeable under the head “Profits and Gains of Business or Profession” arising from taxable securities transactions, subject to certain limit specified in the section. As such, no deduction will be allowed in computing the income chargeable to tax as “capital gains” or under the head “Profits and gains of Business or Profession” for such amount paid on account of STT.

Finance Bill 2008 has proposed to introduce new Section 36(i)(xv) to allow for deduction of STT paid, if the taxable securities transactions are taxable as ‘Business Income’ instead of the rebate hitherto allowable under Section 88E.

III. Benefits available to Non-Resident Shareholders (Other than FIIs and Venture Capital Companies / Funds)

A. Dividend Income

As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003 by domestic companies) received on the shares of the Company is exempt from tax, subject to disallowance, if any, under section 14A, for expenditure incurred in relation to earning such dividend.

B. Capital Gains

Benefits outlined in Paragraph II.B above are also available to a non-resident shareholder except that as per first proviso to Section 48 of the Act, the capital gains arising on transfer of capital assets being shares of an Indian Company, acquired in convertible foreign exchange, need to be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation as provided in second proviso to section 48 is not available to non-resident shareholders.

C. Rebate

Benefits outlined in Paragraph II.C above are also applicable to the non-resident shareholders.

D. Special provision in respect of income / LTCG from specified foreign exchange assets available to non-resident Indians under Chapter XII-A

1. As per section 115E of the Act, in the case of a shareholder being a non-resident Indian, and subscribing to the shares of the Company in convertible foreign exchange, in accordance with and subject to the prescribed conditions, long term capital gains arising on transfer of the shares of the Company (in cases not covered under section 10(38) of the Act) will be subject to tax at the rate of 10% (plus applicable surcharge and education cess), without any indexation benefit.
2. As per section 115F of the Act and subject to the conditions specified therein, in the case of a shareholder being a non-resident Indian, gains arising on transfer of a long term capital asset being shares of the Company will not be chargeable to tax if the entire net consideration received on such transfer is invested within a period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act. If part of such net consideration is invested within the period of six months in any specified asset or

savings certificates referred to in section 10(4B) of the Act, then such gains would not be chargeable to tax on a proportionate basis. Further, if the specified asset or savings certificate in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.

3. As per section 115G of the Act, non-resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
4. As per section 115H of the Act, where a non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
5. As per section 115I of the Act, a non-resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing a declaration along with his return of income for that assessment year under section 139 of the Act, that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

E. Tax Treaty Benefits

The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident. In case the non resident has fiscal domicile in a country with which no Tax Treaty exists, then due relief under Section 91 of the Act may, in given circumstances, be available.

IV. Benefits available to Foreign Institutional Investors ('FIIs')

A. Dividend Income

As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003 by domestic companies) received on the shares of the Company is exempt from tax, subject to disallowance, if any, under section 14A, for expenditure incurred in relation to earning such dividend.

B. Capital Gains

1. As per section 10(38) of the Act, long term capital gains arising from the transfer of a long term capital asset being an equity share of the Company, where such transaction is chargeable to STT, will be exempt in the hands of the FIIs.
2. As per section 115AD read with section 111A of the Act, short term capital gains arising from the sale of equity shares of the Company transacted through a recognized stock exchange in India, where such transaction is chargeable to STT, will be taxable at the rate of 10% (plus applicable surcharge and education cess).

The Finance Bill 2008 has proposed to increase the tax rate on aforesaid short term capital gains from 10% to 15% (plus applicable surcharge and education cess).

3. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the provisions of section 10(38) of the Act at the following rates:

Nature of income	Rate of tax (%)
------------------	-----------------

Long term capital gains	10
Short term capital gains (other than referred to in section 111A)	30

The above tax rates will be increased by the applicable surcharge and education cess.

In case of long term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.

4. Benefit of exemption under Section 54EC shall be available as outlined in Paragraph 1.C.7 above.

C. Rebate

Benefits outlined in Paragraph II.C above are also available to FIIs

D. Tax Treaty Benefits

Benefits of Tax Treaty as outlined in Paragraph III.E above are also available to FIIs

V. Benefits available to Mutual Funds

As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may by notification in the Official Gazette, specify in this behalf.

VI. Benefits available to Venture Capital Companies / Funds

As per section 10(23FB) of the Act, all Venture Capital Companies / Funds registered with the Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on their entire income, including income from sale of shares of the company. However, under section 115U of the Act, income received by a person out of investment made in a venture capital company or in a venture capital fund will be chargeable to tax in the hands of such person.

B. Benefits available under the Wealth Tax Act, 1957

“Asset” as defined under section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares are not liable to wealth tax.

C. Benefits available under the Gift Tax Act, 1958

Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares will not attract gift tax.

NOTES

- (i) The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- (ii) All the above benefits are as per the current / proposed tax laws. The Company is not entitled to any other special direct tax benefits other than the ones detailed in Para A.1 above.

- (iii) In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investments in the shares of the Company.

Our views expressed herein are based on the facts and assumptions indicated by you. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the use of Bharat Oman Refineries Limited. We shall not be liable to Bharat Oman Refineries Limited for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

INDUSTRY

Economic Growth and Energy Demand

Global oil demand has increased at a CAGR of approximately 1.66% from 69.8 MBPD in 1995 to 83.7 MBPD in 2006. (Source: *BP Statistical Review of World Energy 2007*). Within India, oil demand has increased at a CAGR of approximately 4.54% over the same period, from 1.6 MBPD in 1995 to 2.6 in 2006. (Source: *BP Statistical Review of World Energy 2007*). Global oil demand growth is expected to further increase to 88.0 MBPD in 2008, 89.8 MBPD in 2009, 91.7 MBPD in 2010 and 93.7 MBPD in 2011. (Source: *International Energy Agency, Medium Term Oil Market Report, July 2006*).

Although growth in energy consumption in India has tended to lag behind the growth of its economy, India is expected to experience GDP growth rates in excess of the world economy as a whole. Specifically, the Indian economy is expected to grow at a CAGR of 5.7% from 2004 to 2030, as compared to an expected global GDP CAGR of 3.1%. (Source: *U.S Department of Energy – Energy Information Administration, International Energy Outlook May 2007*). Additionally, India is widely expected to experience growth in energy intensive sectors, such as infrastructure and transportation. India is expected to experience the fastest expansion in transportation sector energy use in the world. India's transportation energy use is projected to grow at an average rate of 3.3% per year in International Energy Outlook reference case, compared with the world average of 1.7% per year. (Source: *U.S Department of Energy – Energy Information Administration, International Energy Outlook May 2007*). The table below sets forth the consumption and percentage growth in Indian petroleum product consumption from Fiscal 2003 to Fiscal 2007.

(in MMT)

	Fiscal 2003	Fiscal 2004	Fiscal 2005	Fiscal 2006	Fiscal 2007(1)
Consumption	104.1	107.8	111.6	113.2	119.8
Growth	3.7%	3.5%	3.6%	1.4%	5.9%

(1) Provisional figures

Source: *Petroleum Planning and Analysis Cell, Ministry of Petroleum & Natural Gas (www.ppac.org.in)*

Source of Future Crude Oil

Worldwide crude oil production is expected to reach 107.2 million barrels oil equivalent per day by 2030 as compared against 81.9 million barrels oil equivalent per day in 2005. (Source: *U.S. Department of Energy-Energy Information Administration, International Energy Outlook May 2007*). OPEC countries are estimated to account for 50% of the total production for 2030 compared against 42 % in 2005. (Source: *U.S. Department of Energy-Energy Information Administration International Energy Outlook May 2007*). The table below sets forth the historic and projected production of crude oil for certain categories of producing regions for the selected years from 2004 to 2030.

(in MMT/PA)

Region/Country	Historic		Projections			Average Annual % change (2004 - 2030)
	2004	2005	2010	2020	2030	
OPEC	33.3	34.7	36.8	44.8	54.1	1.9
Non-OPEC	47.1	47.3	49.4	51.7	53.1	0.5
OECD	21.2	20.4	19.9	18.9	17.6	-0.7
OECD North America	14.2	13.8	14.2	14.4	14.1	0

	Historic		Projections			Average Annual % change (2004 - 2030)
Region/Country	2004	2005	2010	2020	2030	
Non-OECD	25.9	26.8	29.5	32.8	35.6	1.2
Non-OECD Asia	6.4	6.6	6.4	6.3	6.1	-0.2
Total World	80.4	81.9	86.2	96.5	107.2	1.1

Source: U.S. Department of Energy-Energy Information Administration International Energy Outlook May 2007

Indian Oil Refining Industry

In India, refining capacity grew at a CAGR of 6.92 % for the period 2002 through to 2006. The table below sets forth total refining capacity for India and the world from 2002 to 2006.

(in thousand barrels per day)

Year	2002	2003	2004	2005	2006	CAGR 2002- 2006 ⁽¹⁾
India	2,289	2,333	2,513	2,558	2,992	6.92
World	83,650	83,956	85,349	85,929	87,238	1.06

(1) The CAGR has been calculated on the basis of data obtained from the source stated below.

Source: BP Statistical Review of World Energy 2007

The major players in the Indian refining industry include three public sector oil companies, Indian Oil Corporation Limited, Hindustan Petroleum Corporation Limited and BPCL and a private company, Reliance Industries Limited. As of October 1, 2007, India had 19 oil refineries with a total refining capacity of approximately 149 MMTPA. (Source: Petroleum Planning and Analysis Cell, Ministry of Petroleum & Natural Gas (www.ppac.org.in)). Crude oil processing capacity in India has more than doubled from approximately 65 MMTPA in Fiscal 1998 to approximately 141 MMTPA. In Fiscal 2007, there was a growth rate of 11.4% over the previous year. (Source: Petroleum Planning and Analysis Cell, Ministry of Petroleum & Natural Gas (www.ppac.org.in)). Cumulative refining capacity in India is estimated to increase to 241 MMTPA in Fiscal 2012 and to 302 MMTPA by the end of Fiscal 2017. (Source: Report of the Working Group on Petroleum & Natural Gas Sector for the XI Plan (2007-2012), Ministry of Petroleum & Natural Gas, November 2006).

Crude Oil Characteristics

Crude oil is a mix of hydrocarbons streams and components, along with impurities such as nitrogen, oxygen, sulphur and trace metals like iron, nickel, copper and vanadium.

For further details see “- Refining Process Overview” below. The quality of crude oil is measured in terms of density (light to heavy) and sulphur content (sweet to sour).

American Petroleum Institute gravity is a commonly used proxy to measure crude oil density. The higher the API gravity is, the lighter the crude oil. Although the categorizations vary, light crudes can be categorized as those with an API gravity higher than 35 degrees, heavy crudes as those with an API gravity below 30 degrees and medium crudes as those with an API gravity of between 30 and 35 degrees.

With respect to sulphur content, sweet crudes are generally those with a sulphur content of less than 0.5% whereas sour crudes are those with a sulphur content of more than 1.5%. Crudes with sulphur level between 0.5% and 1.5% are generally considered to be medium sulphur crudes.

The quality of a crude determines the levels of processing and conversion required to achieve a refined product mix. Light sweet crude oils are typically more expensive than heavier and sourer crudes and require less processing in order to produce a slate of products that contains a greater proportion of high value products such as gasoline, aviation fuels and diesel. The heavier and sourer crudes are typically less expensive and can be refined to produce a greater proportion of low value products through a simple process of distillation but will require additional processing in order to produce the higher value

products. Subject to availability and price, refineries will therefore strive to process the optimal mix of both lighter and heavier crude oils in order to manufacture the desired product output.

All grades of crude oil are sold at a differential price to reference crude oils which are known as marker grades. For each geographical region of the world, there are established marker grades, for example, Brent for the North Sea and West African markets, West Texas Intermediate for North American markets and Oman and Dubai for East of Suez markets. The crude price differentials vary from time to time depending on various factors which include, relative production levels of light/sweet crude oils and heavy/sour crude oils, crude oils and product inventory levels in different regions, product specifications and price spreads between different products.

Price Differentials for Heavy Crude and Light Crude

Dubai crude is an Asian benchmark, relatively heavy, sour crude. Brent Crude is a western European benchmark, relatively light, sweet crude. The table below sets forth the prices of Dubai crude, Brent crude and the price differential between these crudes from Fiscal 2002 to Fiscal 2007.

(in US\$ per barrel)

Year	Dubai Crude	Brent Crude	Brent/Dubai Price Differential
Fiscal 2002	21.9	23.3	1.4
Fiscal 2003	25.9	27.6	1.7
Fiscal 2004	27.0	28.9	1.9
Fiscal 2005	36.6	42.1	5.5
Fiscal 2006	53.5	57.9	4.4
Fiscal 2007	60.8	64.1	3.3

Refining Process Overview

Refining Process

The hydrocarbons comprising crude oil are of different molecular weights and boiling temperatures and have to be separated, upgraded and treated before they can be converted into end use petroleum products. The process of separating crude oil into end use petroleum products is known as refining.

Crude oil is refined into a wide variety of intermediate and final products. In general, the process units in a refinery perform one of three functions:

- Separation of crude oil by fractional distillation;
- Chemical conversion of certain lower value fractions into higher value products; and
- Treatment of intermediate products to remove unwanted elements and compounds for blending into final end products.

Each step in the refining process is designed to maximize the value added to its inputs.

Distillation

Raw crude oil is initially processed in an atmospheric fractional distillation unit to separate crude oil streams with small differences in boiling points into valuable products. The lightest products derived from this process are gas and LPG, along with certain somewhat heavier products such as naphtha, kerosene and diesel. Higher boiling liquids, called atmospheric distillation residues, are drawn together from the bottom of the atmospheric distillation unit and further separated into vacuum gas oil and vacuum residue in the vacuum distillation unit.

Conversion

Conversion is generally achieved by a process known as “cracking”. There are two principal cracking processes, fluid catalytic cracking and hydrocracking.

In the fluid catalytic cracking process, vacuum gas oil is cracked into lighter and smaller molecules such as gasoline and gasoil using a catalyst at high temperatures in a fluidised bed reactor. Fluid catalytic cracking is generally employed by refineries for higher proportion of gasoline production and manufacture of petrochemical feedstocks. However, product streams produced by fluid catalytic cracking generally require further intensive treatment for conversion into final products.

In the hydrocracking process, vacuum gas oil is converted into LPG, naphtha, kerosene and diesel in a series of fixed bed reactors using a catalyst under high pressure in a hydrogen atmosphere. This process simultaneously performs desulphurisation, denitrification, demetalisation. The hydrocracking process is suitable for the production of high quality products catering to high specifications, such as diesel and jet fuel. Product streams produced by hydrocracking generally do not require significant further treatment for conversion into final products.

Residue Upgrade

The two most common processes to upgrade vacuum residues are delayed coking and visbreaking. Delayed coking is commonly used to upgrade vacuum residue to value added products by carbon rejection, whereby vacuum residue is thermally cracked to produce LPG, coker naphtha, coker gas oil and coke in a DCU.

Most of the coker products are routed to other hydrotreatment units to produce end use products. A DCU assists a refinery to eliminate the production of low value fuel oil. The delayed coking process can convert approximately 70% of vacuum residue into light and middle distillates.

The visbreaking process is the process by which the viscosity of vacuum residue is reduced by applying a high temperature without any catalyst.

This process is predominantly used to save diesel that would otherwise have been used as cutter stock for fuel oil production. Visbreaking process can convert approximately 30% of vacuum residue into light and middle distillates.

Quality Improvement Processes

A variety of quality enhancing processes may be used in a refinery, including isomerization and continuous catalyst regeneration reforming.

Isomerization. This process converts light naphtha, a low octane stream, into a high octane component.

Continuous catalyst regeneration reforming. This process increases the overall octane level of the gasoline pool.

Treatment processes. Product streams from the distillation and conversion processes are generally treated further to remove impurities such as sulphur, nitrogen, and other metals, to make end use products. For example, hydrotreatment removes sulphur, nitrogen and metals from the various intermediate product streams.

Refining Configuration

Simple refineries, known as hydroskimming refineries, will primarily carry out crude distillation, while more complex refineries also convert hydrocarbon fractions into other products and treat intermediate products. Complex refineries are generally configured to maximize production of either gasoline (catalytic cracking refineries) or middle distillates (hydrocracking refineries). In addition, many complex refineries use residue conversion processing techniques to upgrade vacuum residue. Refineries which are configured to have a high conversion and hydrotreating capacity can achieve higher yields of high value petroleum products by processing heavier crude oils as compared with refineries with lower conversion and hydrotreating capacity.

Refinery Complexity

Refinery complexity refers to a refinery's ability to process feedstocks, such as heavy and high sulphur content crude oils into value-added products. Refinery complexity is commonly measured by the Nelson Complexity Index.

The Nelson Complexity Index formula assigns a complexity factor to each major refining process of a refinery based on its complexity and cost in comparison to basic crude distillation, which is assigned a complexity factor of 1.0. The complexity of each process is then calculated by multiplying its complexity factor by its throughput ratio, which is a percentage of a refinery's crude distillation capacity. The Nelson Complexity Index of a refinery is calculated by adding the complexity values assigned to each process, including crude distillation. For example, under the Nelson Complexity Index a refinery with a complexity of 10.0 is ten times more complex than a basic crude distillation refinery for the same amount of throughput.

In a simple refinery, a higher proportion of the product slate will be comprised of low value heavy products such as fuel oil and bitumen. More complex refineries will generally produce a lower proportion of such heavy products and produce a higher percentage of light products such as LPG, naphtha and gasoline and middle distillates such as kerosene and diesel.

As a result of the current demand for lighter petroleum products, new refining capacity is generally in the form of complex refineries with higher conversion capacity, rather than simple distillation refineries.

Refined Petroleum Products

Below is a brief description of petroleum products and their applications:

LPG: Liquefied petroleum gas consists of carbon atoms ranging from C3 to C4 hydrocarbons liquefied under pressure. It is used as cooking gas and auto fuel and as a raw material for the manufacture of certain petrochemicals.

Naphtha: Naphtha consists of carbon atoms ranging from C5 to C9 hydrocarbons with a boiling range of 40 degrees Celsius to 140 degrees Celsius. It is primarily used as a feedstock in the petrochemical and fertilizer industries and in the paint and varnish industries. It may also be processed further for conversion into a gasoline component.

Gasoline: Gasoline, also referred to as motor spirit or petrol, consists of carbon atoms ranging from C5 to C10 hydrocarbons with a boiling range of 40 degrees Celsius to 205 degrees Celsius. It is a fuel for

spark ignited internal combustion engines. Various refinery streams such as reformate, isomate and cracked naphtha are used as blendstocks to achieve specifications for gasoline.

Kerosene/Aviation Turbine Fuel: Kerosene consists of carbon atoms ranging from C9 to C16 hydrocarbons with a boiling range of 140 degrees Celsius to 280 degrees Celsius. Kerosene is further treated to produce aviation turbine fuel.

Diesel/High Speed Diesel: Diesel consists of carbon atoms ranging from C14 to C24 hydrocarbons with a boiling range of 250 degrees Celsius to 350 degrees Celsius. It is commonly used as fuel in transportation vehicles such as automobiles, trucks, buses and railway.

Fuel oil: Fuel Oil consists of longer chain of hydrocarbons from C22 onwards with a boiling range of 370 degrees Celsius to 600 degrees Celsius. It is used as industrial fuel in boilers and furnaces.

Petroleum Coke: Petroleum coke is a solid residual by-product of the delayed coking process and is predominantly used as industrial fuel, commonly for power generation.

Bitumen: Bitumen is a residual product which is produced from the crude oil vacuum distillation process and is used primarily for asphalt coating of roads and roofing materials.

Economics of Oil Refining

Oil refining is primarily a margin based business. Crude oil typically accounts for 90% to 95% of the total cost of refining and other operating expenses of refining are relatively fixed. Refineries therefore seek to enhance capacity utilisation rates and maximise production of higher value products to increase margins.

Gross Refining Margin

The total value of the finished products less the cost of crude oil and other feedstock is commonly referred to as gross refining margin, or GRM.

The GRMs of complex refineries are higher than those of simple refineries since complex refineries are able to generate a higher yield of light and middle distillates from lower cost heavier and sourer crude oils. In addition, a lower proportion of lower value heavy products may be produced by a complex refinery through its conversion and residue processing facilities that convert such products into the higher value light products.

The principal factors that affect GRMs include:

- movements in the prices of the relevant crude oil and other feedstock qualities;
- pricing of the petroleum products; and
- aggregate demand and supply for crude oil, other feedstocks and petroleum products.

Refining margins in recent years have benefited from favorable trends in relationships between product prices and feedstock costs, and increased processing of lower cost, heavier and sourer crude oils. These relationships are reflected primarily in the price differential between the marker crude oil prices of Brent and Dubai as well as in the price differentials among the various petroleum products, in particular between gasoline and diesel on the one hand and heavy fuel oil on the other hand.

Benchmark for Refining Margins

There are three major refining benchmarks used worldwide based on the three major global refining centers; the US Gulf Coast, North West Europe and Singapore. In each case, the benchmarks are based on a single crude oil of a type that is appropriate for that region and which have optimized product yields based on a generic refinery configuration (for example, cracking, hydrocracking or coking), that is considered appropriate for the particular region.

Singapore Benchmark for Refining Margins

For the Asia-Pacific region, including India, Singapore refining margins are the relevant benchmark, which are further classified into hydroskimming margins and cracking margins. The latter is based on a hydrocracking refining configuration and the processing of Dubai crude.

The Singapore cracking margins assume a product mix of approximately 32% gasoline, 19% kerosene/aviation turbine fuel, 16% diesel/gasoil, 23% fuel oil, 3% LPG and 7% MTBE/naphtha. The price of crude oil inputs and products are based on Reuters' assessment. The Singapore margin benchmark does not take into account the profitability of any particular refinery.

The table below sets forth the daily average Singapore refining margins for complex refineries for the years 2003, 2004, 2005, 2006 and 2007⁽¹⁾.

(US\$ per barrel)

	2003	2004	2005	2006	2007
Singapore Margins	3.87	6.52	6.53	5.90	7.61

(1) The daily average Singapore Margins have been calculated on the basis of the data obtained from the source stated below

Source: Reuters

The table below sets out the Singapore crack spreads (which is the difference in price between the average prices of petroleum products and crude oils) for diesel, gasoline and fuel oil.

(in US\$ per barrel)

Year	Diesel / Dubai	Gasoline/ Dubai	Fuel Oil/ Dubai
Fiscal 2003	5.0	4.3	-0.7
Fiscal 2004	5.9	8.0	-1.6
Fiscal 2005	13.2	12.4	-6.9
Fiscal 2006	14.7	11.2	-8.6
Fiscal 2007	16.3	11.4	-13.8

Pricing Mechanism for Petroleum Products

In India, industry practices for the sales prices for petroleum products among the various industry participants has evolved as a result of numerous factors, including the Indian regulatory environment for the oil and gas industry and, specifically, the Government of India subsidy system pursuant to which under-recoveries of government-owned oil marketing companies' production are shared among the Government of India, the public sector oil marketing companies and certain public sector upstream companies. Although the industry practices for sales prices for petroleum products are generally not binding on participants in the Indian oil and gas industry, these practices are widely used.

Under such industry practices, the prices for a refinery's sale of certain petroleum products are generally determined pursuant to the pricing mechanisms described below.

With respect to LPG, kerosene and aviation turbine fuel, the pricing is determined on the basis of import parity prices, or IPP. The IPP for a petroleum product is based on the FOB price that would be payable for the petroleum product in the Arab Gulf, plus certain costs such as ocean freight from the

point of the FOB to the relevant port, insurance, port handling and applicable customs duties. Price adjustments are made for quality differentials between the quoted price of the petroleum product and the petroleum product that is produced at the refineries. For products priced under IPP, a refinery will generally receive an additional amount based on the notional cost of transport to the refinery from the relevant port.

With respect to gasoline and diesel, the pricing is determined on the basis of trade parity prices, or TPP. The TPP for a petroleum product is generally the weighted average of the IPP and the export parity price, or EPP at a ratio of 80:20. The EPP for a petroleum product is based on the FOB price that would be payable for the relevant petroleum product in the Arab Gulf. Price adjustments are made for quality differentials between the quoted price of the petroleum product and the petroleum product that is produced at the refinery. EPP also includes an advance license benefit pursuant to which, in the case of downstream oil and gas companies, crude oil for the relevant petroleum product is exempt from the payment of customs duty, subject to limitations relating to the value of exports and standard input-output norms published by the Government of India. For products priced under TPP, a refinery will generally receive an additional amount based on the notional cost of transport to the refinery from the relevant port.

Under industry pricing practice, refineries receive payment in respect of excise duties and local sales taxes over from the purchaser in addition to the price determined as IPP or TPP, as the case may be. However refineries do not receive payment in respect of central sales tax that is due on inter-state sales in India.

Consumption or Types of Refined Products in India

Over the past four years, the consumption of distillate petroleum products such as motor spirit, aviation turbine fuel, high speed diesel and LPG have increased whereas the demand for petroleum products such as fuel oil/low sulphur heavy stock (heavy residue fuels) have stagnated.

The table below sets forth the consumption of major petroleum products in India and the compounded average growth rate over the period from Fiscal 2003 to Fiscal 2007. (*Source: Petroleum Planning and Analysis Cell, Ministry of Petroleum & Natural Gas*).

(in TMT except percentages)

	Fiscal 2003	Fiscal 2004	Fiscal 2005	Fiscal 2006	Fiscal 2007	% CAGR
LPG	8,351	9,305	10,245	10,456	10,849	6.8
Motor Spirit	7,570	7,897	8,251	8,647	9,286	5.2
Naphtha	11,962	11,868	13,993	12,194	13,886	3.8
ATF	2,271	2,484	2,813	3,299	3,983	15.1
HSD	36,645	37,074	39,650	40,191	42,896	4.0
FO/LSHS	12,738	12,945	13,540	12,829	12,618	-0.2

Source: Petroleum Planning and Analysis Cell, Ministry of Petroleum & Natural Gas (www.ppac.org.in)

Environmental Regulations

Generally, environmental regulations place requirements on the composition of gasoline and diesel fuel. Global environmental regulations have placed restrictions on diesel fuel in respect of sulphur content, polyaromatics content, cetane number, distillation ranges. The restrictions relating to gasoline include, sulphur content, content of aromatics and specific limits for certain compounds like benzene and olefins.

European and Domestic Gasoline and Diesel Specifications

The Euro II, Euro III and Euro IV standards have been developed by Europe in respect of emission standards for motor vehicles. The table below sets out the European specifications for gasoline and diesel implemented progressively during the period from 1993 to 2005.

Properties	Euro II (1993)	Euro III (2000)	Euro IV (2005)
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Gasoline			
Aromatics (in % volume (maximum))	-	42	35
Olefins (in % volume (maximum))	-	18	18
Benzene (in % volume (maximum))	5.0	1.0	1.0
Oxygen (weight %, (maximum))	-	2.7	2.7
Sulphur (ppmw, (maximum))	500	150	50(10) ⁽¹⁾
Diesel			
Poly Aromatics (in % volume (maximum))	N/A	11.0	11.0
Sulphur (ppmw, (maximum))	2,000	350	50/10 ⁽¹⁾
Cetane number (minimum)	49	51	51
Density at 15 Celsius (kilogram per square meter)	820-860	845	845
Distillation (95% volume recovered at Celsius (maximum))	370	360	360

(1) 2005 Introduction of 10 ppmw sulphur fuel must be geographically available in an appropriately balanced manner.

(Source: Harts Downstream Energy Services)

The Euro IV specifications require sulphur levels of less than 50 ppmw in both gasoline and diesel. The current proposed European specifications, commonly referred to as Euro V, require levels of less than 10 ppmw in both gasoline and diesel. There can be no assurances as to the terms of any of these proposed or any other future regulations.

In September 2001, the Dr. R. A. Mashelkar committee was mandated with recommending an auto fuel policy for India in accordance with a prescribed plan. The committee recommended that gasoline and diesel product specifications should be in line with European standards. The GoI accepted these recommendations and mandated the implementation of Euro III- equivalent specifications for 11 major cities including the four metro cities, and Bharat Stage II specifications for the rest of the country with effect from Fiscal 2006. The committee's recommendation in respect of switching to Euro IV-equivalent specifications for 11 major cities including the four metro cities and Euro III-equivalent specifications for the rest of the country by 2010 is still under consideration.

The table below sets forth the key specifications in respect of Bharat Stage II, Euro III-equivalent and the proposed Euro IV-equivalent standards for gasoline and diesel in India⁽¹⁾.

Properties	Bharat Stage II	Euro III-Equivalent	Euro IV-Equivalent
Gasoline			
Aromatics (in % volume (maximum))	-	42	35
Olefins (in % volume (maximum))	-	21	21

Benzene (in % volume (maximum))	3.0 (for metro cities) 5.0 (rest of the country)	1	1
Oxygen (% mass)	-	2.7	2.7
Sulphur	0.05 (% mass)	150 (milligrams per kilogram)	50 (milligrams per kilogram)
Diesel			
Cetane number (minimum)	48	51	51
Polycyclic Aromatics Hydrocarbon (maximum)	-	11	11
Sulphur	0.05 (% mass)	350 (milligrams per kilogram)	50 (milligrams per kilogram)
Distillation (95% volume recovered at Celsius (maximum))	-	360	360
Density at 15 degrees Celsius (kilograms per cubic meters)	820-860	820-845	820-845

Source: Report of the Expert Committee on Auto Fuel Policy, August 2002

OUR BUSINESS

Overview

We are promoted by BPCL, which is a Fortune Global 500 company with interests in downstream oil refining and marketing of petroleum products in India. As of March 31, 2007 BPCL had a network of over 7,500 retail outlets, including 21 aviation stations, 48 LPG plants and the BPCL Product Pipeline. (Source: *BPCL Annual Report 2006-2007*). BPCL's first refinery was commissioned in 1955 and BPCL currently operates three refineries: a 12 MMTPA (approximately 240 KBPD) refinery at Mumbai, a 7.5 MMTPA (approximately 150 KBPD) refinery at Kochi and, through its subsidiary, NRL, a 3 MMTPA (approximately 60 KBPD) refinery in Numaligarh, Assam. BPCL's market share among public sector oil refineries throughout India was 23.0%, with sales of 22.7 MMT of petroleum products in the Fiscal year 2007. In northern region of India, BPCL's market share among public sector oil refineries was 20.8%, with sales of 6.4 MMT of petroleum products in Fiscal 2007. (Source: *Petroleum Planning and Analysis Cell, Ministry of Petroleum & Natural Gas*).

We are in the process of constructing a grassroots petroleum refinery in Bina in the Indian state of Madhya Pradesh. The Refinery is designed to have a crude oil processing capacity of 6 MMTPA (approximately 120 KBPD) and a complexity factor of 9.1, as measured using the Nelson Complexity Index. Our plans also include the construction of a crude oil importing and storage system in Vadinar on the west coast of India in the state of Gujarat, consisting of the SPM facility that can receive crude oil shipments from VLCCs in sizes of up to 320,000 DWT and the COT with a capacity of 480,000 cubic meters. We intend to connect the COT to the Refinery with the Crude Oil Pipeline. The Project is being executed on a hybrid basis, with certain facilities being constructed on the basis of LSTK and others utilizing conventional implementation methodology with assistance from EIL. We anticipate that the Refinery will commence commercial operations in or around January 2010.

We have engaged EIL to provide basic engineering designs in relation to certain aspects of the Refinery, project management, detailed engineering, procurement and construction management services for the Refinery, as well as pre-commissioning and commissioning assistance.

We have licensed certain process technologies for the Refinery's key process units from Chevron Lummus Global LLC, UOP LLC, Technip Benelux B.V. and Lummus Technology Inc., who are also providing us with additional services with respect to their technologies such as basic engineering designs, detailed design reviews and assistance with construction and commissioning.

We have also entered into contracts with key contractors for the Project, including Bharat Heavy Electricals Limited in respect of the Refinery's Power Plant, Punj Lloyd Limited for the Refinery's sulphur block and Naftogaz India Private Limited for the Refinery's hydrogen unit, each on a LSTK basis. Additionally, we have a contract with China Petroleum Technology and Development Corporation for the supply of the reactors for the FCHCU and DHDT and PSL Limited for the provision of piping for the Crude Oil Pipeline.

The capital cost of the Project is estimated to be Rs. 103,780.00 million (approximately US\$ 2,599.04 million), which we propose to fund through debt of approximately Rs. 63,870.00 million (approximately US\$ 1,599.54 million) and equity of approximately Rs. 40,000.00 million (approximately US\$ 1,001.75 million), including proceeds of the Issue. As of February 29, 2008, the total expenditure incurred by us was Rs. 23,764.51 million (approximately US\$ 595.15 million).

We intend to sell substantially all of the Refinery's petroleum products to BPCL pursuant to the Off-take Agreement. In connection with the Project, BPCL intends to construct a marketing terminal for our petroleum products, which we will operate under a lease. BPCL also intends to construct a pipeline to connect the Marketing Terminal to the BPCL Product Pipeline for the transport of the Refinery's petroleum products. We have also entered into the Crude Sourcing and Services Agreement for the sourcing of crude oil for the Refinery.

The GoMP has agreed to provide us with certain financial incentives and tax-related benefits in

connection with the implementation and operation of the Project. For further details see the section “History and Certain Corporate Matters - Memorandum of Understanding with the GoMP” beginning on page 94.

Project Strengths

We believe that the Project will benefit from the following strengths:

- ***BPCL's project execution skills and the experience of BPCL's deputized project implementation team.*** BPCL has a proven track record of implementing large refinery-related projects, including those relating to its existing refinery complexes at Mumbai, Kochi and Numaligarh. Most recently, BPCL has completed a modernization and expansion project for its refinery in Mumbai, extensions of the BPCL Product Pipeline from Manglia to Piyala near Delhi and from Piyala to Bijwasan and the implementation of a single point mooring facility at Kochi. In 2000, BPCL's subsidiary NRL, completed construction and commissioned a 3 MMTPA (approximately 60 KBPD) grass root refinery at Numaligarh in the state of Assam. The Numaligarh refinery includes a crude distillation unit, hydrocracker and delayed coker units as well as a hydrogen and sulphur plant. BPCL is also currently modernizing and expanding its facilities at the Kochi refinery over the course of two phases, and has completed the first phase of the project.

We believe that our implementation of the Project will benefit directly through the deputation of key personnel from BPCL who have been involved in BPCL's recent projects, including through their prior experience of working with EIL to execute projects on a hybrid basis and their prior experience of working with the Project's key licensors and contractors.

We also believe that BPCL's project implementation skills, as well as the experience of our project implementation team members who are on deputation from BPCL, will result in a more efficient implementation and commissioning of the Project.

- ***Financial incentives and tax-related benefits.*** We expect to receive certain financial benefits and exemptions from the GoI and the GoMP. We expect the following financial incentives from the GoI to be available to us in connection with the Project:
 - a concessional rate of basic customs duty for the import of capital goods; and
 - an exemption from the payment of income tax for a period of seven years from the date we commence commercial operations under Section 80-IB (9) of the IT Act. However, the current Finance Bill 2008 proposes an amendment to Section 80-IB (9) of the IT Act, pursuant to which no such exemption shall be available to undertakings engaged in the refining of mineral oil where such refining begins on or after April 1, 2009.

Additionally, the GoMP has agreed, subject to certain conditions, to provide us with the following tax-related benefits in connection with the Project:

- an annual interest free loan up to Rs. 2,500 million (approximately US\$ 62.60 million) per year for a period of 15 years from the date of first sale of our petroleum products, subject to a maximum total of Rs. 37,500 million (approximately US\$ 939.14 million) to offset our value added tax payments for the sale of our petroleum products;
- an exemption for up to Rs. 37,500 million (approximately US\$ 938.14 million) in central sales tax on the inter-state sale of our petroleum products for a period of 15 years from the date we commence commercial operations;

- an exemption from entry tax on our supply of crude oil for 15 years from the date we commence commercial operations;
- an exemption until March 31, 2009 from entry tax on capital goods and works contract tax during the Project implementation period.

For further details see the section “History and Certain Corporate Matters - Memorandum of Understanding with the GoMP” beginning on page 94.

- ***Synergies within BPCL's existing refinery operations.*** In addition to utilizing the skill sets and resources available to BPCL in constructing the Refinery, we anticipate realizing significant operational synergies with BPCL, including with respect to crude sourcing, operations and maintenance, marketing of petroleum products and petroleum-related infrastructure. In addition, we propose to source crude for the Refinery through the international trading desk of BPCL. We believe that this will help us to ensure the continuity of our crude supply and, because our supply will be grouped with BPCL's, we will benefit from better supply pricing.

Project Strategies

We have designed and intend to operate the Project with the following strategies:

- ***Use of heavier and sourer crude and sourcing through BPCL to reduce crude costs.*** The Refinery is designed to process Arab Mix Crude (API gravity of 31.3) containing Arab Light Crude (API 32.7) and Arab Heavy Crude (API 28.7) at a ratio of 65:35. The Refinery has also been designed with the potential to process various other high sulphur crudes, as well as higher residue crudes (APIs ranging from 28 to 35), by varying throughputs and product slates. We believe this flexibility in design will reduce our costs and give us the ability to adapt to changing market conditions for different crudes or product slates, which will enable the Refinery to take advantage of the cost differentials between low sulphur, low residue crudes and sour higher residue crudes.
- ***Production of high quality, premium petroleum products to benefit from anticipated demand for these products.*** The Refinery configuration has been optimized to maximize high value diesel, gasoline and aviation turbine fuel, minimize naphtha and eliminate low value products like bitumen and fuel oil. All of the Refinery's petroleum products are intended to conform to the current Bureau of Indian Standards specifications, which are the national standards for the manufacture and sale of petroleum products in India. The Refinery's auto fuels such as HSD and gasoline production are intended to meet Euro III-equivalent specifications (which forms part of the current BIS specifications for gasoline and diesel) and Euro IV-equivalent quality standards proposed in India. For further details see the section “Industry – Environmental Regulations” beginning on page 65.

Further, our Refinery has been configured to be able to produce gasoline that meets ultra-low sulphur level specifications of less than 10 ppmw that are proposed for future gasoline specifications such as the proposed Euro V standards. Additionally, the content of olefins and benzene of the Refinery's designed gasoline output is expected to be around 1.0 % by volume and 0.7% by volume, respectively, as compared with the proposed 18.0% and 1.0% limits under the proposed Euro V standards.

Almost 40% of our anticipated production of HSD is designed to meet the proposed ultra-low sulphur specification limit of 10 ppmw under the proposed Euro V standards. The remaining quantities of HSD are designed to meet the Euro IV sulphur specification limit of 50 ppmw.

We believe that the capability to be able to produce such superior and future-ready environmentally friendly petroleum products would give us a competitive advantage in a

number of ways, including, avoiding the need to make large capital investments on our Refinery in order to meet such future standards, being able to increase our levels of production of Euro IV gasoline and diesel by blending them with Euro III or other lesser quality of gasoline and diesel sourced from third parties.

- ***Reduce transportation and other costs through strategic locations.*** We intend to sell substantially all of our petroleum products to BPCL, which intends to construct the Marketing Terminal adjacent to the Refinery. We believe that the Refinery's geographical location in the central Indian state of Madhya Pradesh will enable BPCL to economically service the demand for petroleum products in the north and central India market. There is currently no petroleum refinery within approximately 400 kilometers of our proposed location, and we therefore believe that we will benefit substantially from the lower transportation costs afforded by our proximity to the target markets. The Product Pipeline Connection will enable BPCL to transfer petroleum products from the Marketing Terminal to the BPCL Product Pipeline to service markets in the northern regions of India. Furthermore, we believe that as petroleum products become subject to increasingly stringent product specifications within India, fewer existing refineries within BPCL's target market will be able to meet the increasing demand for compliant petroleum products competitively.

The Crude Oil Importing and Storage System is located in Vadinar on the west coast of India in the state of Gujarat, which places it in close proximity to the Middle East, the largest crude oil producing region in the world. We believe this location will reduce the time for transportation of the crude oil to the Refinery and will reduce crude freight costs.

- ***Self-sufficient captive power plant.*** The Project includes plans for a 99 MW captive co-generation power plant that will meet the power and steam requirements of the Refinery. The heavy residues generated in the Refinery will be processed in the delayed coker unit to yield valuable products as well as limiting quantities of petroleum coke. This process is designed to eliminate low value fuel oils. Furthermore, petroleum coke produced by the Refinery will be utilized towards the fuel requirements for the Power Plant. We believe that the integration of the delayed coker unit and the Power Plant is likely to result in enhanced reliability of the Refinery's key utility systems and steady operations of the facilities.

We believe that our Project strategies such as the flexibility in the design for crude processing at the Refinery, the superior product slate including premium quality auto fuels, the strategic location of the crude import facility, freight advantages resulting from the inland location of the Refinery and potential residue upgrade to value-added products will benefit our gross refining margins. For further details see the section "Industry – Singapore Benchmark for Refining Margins" beginning on page 68.

The Project

Product Slate

The Refinery configuration is designed to maximize high value diesel, gasoline and aviation turbine fuel, minimize naphtha and eliminate low value products like bitumen and fuel oil, and has the capacity to produce quantities of premium products such as gasoline and diesel that meet current and proposed future standards,. Our anticipated petroleum product slate for the Refinery, which we believe is typical for a refinery of its type, is presented in the table below, assuming Arab Crude Mix containing Arab Crude Light and Arab Crude Heavy at a ratio of 65:35 is processed.

Products	TMTPA	% of Total
LPG	222	3.7
Naphtha	241	4.0
Euro III-equivalent motor spirit/gasoline	385	6.4

Products	TMTPA	% of Total
Euro IV-equivalent motor spirit/gasoline	400	6.7
ATF	550	9.2
SKO	487	8.1
Euro III-equivalent HSD ⁽¹⁾	1610	26.8
Euro IV-equivalent HSD	1181	19.7
Sulphur	109	1.8
Petroleum coke ⁽²⁾	410	6.8
Refinery fuel and loss	405	6.8
Total Products	6000	100.0

(1) Euro IV-equivalent HSD may be sold as Euro III-equivalent HSD to satisfy the minimum sale requirements under the Off-take Agreement. For further details see the section "History and Certain Corporate Matters – Off-take Agreement" beginning on page 96 of this Draft Red Herring Prospectus.

(2) Petroleum coke will be produced by the DCU and used as internal fuel for the Power Plant.

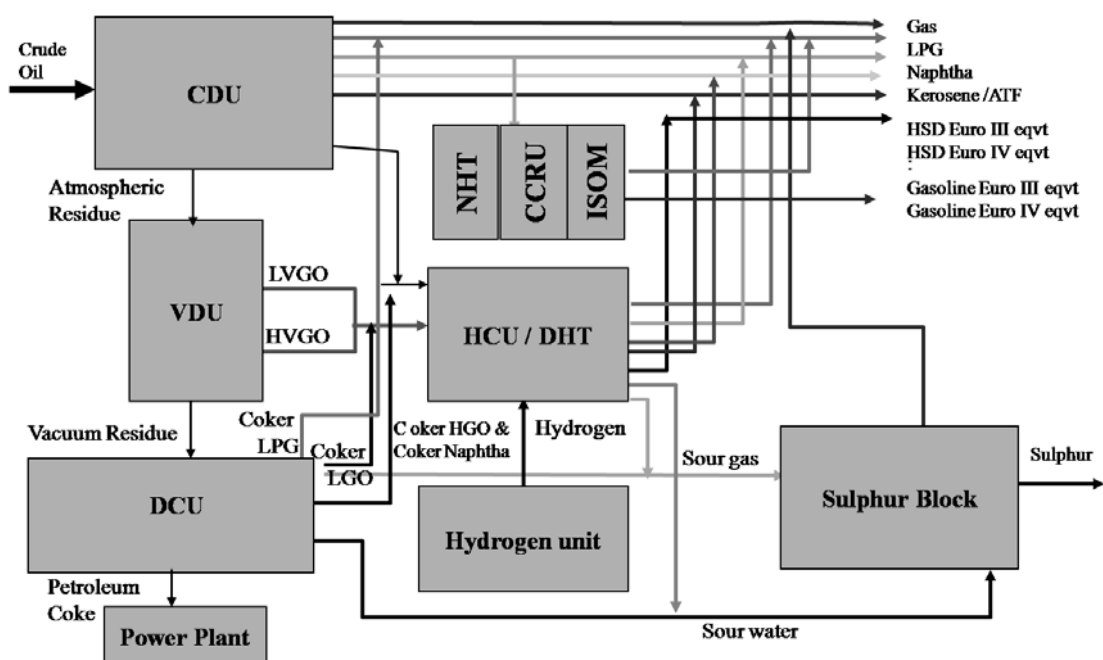
The Refinery has also been designed to vary the product pattern within a range to maximize gross refining margins and meet our estimations of future demands.

The Refinery

We are in the process of constructing a grassroots petroleum refinery in Bina in the Indian state of Madhya Pradesh. Under the current plans for our Refinery, we contemplate that the Refinery will have a processing capacity of 6 MMTPA (approximately 120 KBPD) and a complexity factor of 9.1, as measured using the Nelson Complexity Index.

Refinery Configuration and Refining Process

The following chart sets out the Refinery's designed refining process of crude oil and other feedstocks into petroleum products. For further details see the section "Industry - Refining Process Overview" beginning on page 61.



The key process units of the Refinery's configuration comprise of a CDU and a FCHCU integrated with a DHDT. The FCHCU configuration for our Refinery has been selected to maximize middle distillates with the simultaneous production of high quality Euro III-equivalent and Euro IV-equivalent HSD. The configuration also includes a DCU which processes and upgrades the majority of the low value residue to a valuable distillate. This process also generates petroleum coke. The petroleum coke generated will be utilized in the Power Plant. Our plans for the Refinery also include a naphtha hydrotreater, a CCRU and an isomerization unit which we believe will enable us to adapt to changing regulatory requirements for motor spirit, particularly with respect to sulphur, octane number or benzene.

The salient features of our Refinery's process configuration are highlighted below.

Crude oil is separated into various components in the CDU and VDU, which are both integrated for energy efficiency.

The component streams are gas, LPG, naphtha, kerosene, atmospheric gas oil, vacuum gas oil and vacuum residue. The LPG stream is processed in a LPG treating unit to produce a LPG product which meets the Bureau of Indian Standards specifications.

The heavy naphtha is hydrotreated in the NHT and then the naphtha is split into light and heavy naphtha in the naphtha splitter. The heavy naphtha then goes to the CCRU. The CCRU converts naphtha into a high octane gasoline component. The light naphtha is upgraded into a gasoline component in the isomerization unit.

The kerosene is further treated in the aviation turbine fuel merox unit in order to make aviation turbine fuel.

Atmospheric gas oil is desulphurized in the DHDT.

The vacuum gas oil is hydrocracked in the FCHCU to maximize middle distillates and improve the quality of diesels of Euro III and Euro IV grades. The DHDT and FCHCU are integrated for energy efficiency and optimization of capital cost. We believe that our integrated FCHCU and DHDT compared against the more conventional stand alone units that are used in the industry will achieve cost savings because both of these units operate at high pressures and require hydrogen rich gas for the chemical reactions. This configuration also enables us to utilize certain common facilities for both

units. Hydrogen, required for hydro-treatment of various streams, is produced in the hydrogen generation unit.

The vacuum residue is thermally cracked in the DCU. The DCU produces products such as light coker gas. Petroleum coke is the final product that is produced from the DCU. The DCU eliminates fuel oil production. The petroleum coke produced will be used as fuel in the Refinery's Power Plant.

The details of the processing capacities planned for the key units of our Refinery and the relevant licensor or designer from whom the license or design has been obtained are set out in the table below.

Units	Capacity	Process Licensor/Designer
CDU/VDU	6.0 MMTPA	EIL
FCHCU	1.95 MMTPA	Chevron Lummus Global LLC
DHDT	1.63 MMTPA	Chevron Lummus Global LLC
DCU	1.36 MMTPA	Lummus Technology Inc.
Hydrogen Unit	0.07 MMTPA	Technip Benelux, BV
NHT	1.00 MMTPA	UOP LLC
CCRU	0.54 MMTPA	UOP LLC
Isomerization Unit	0.31 MMTPA	UOP LLC
Sulphur Recovery Unit	2 x 180 TPD	EIL

Crude Oil Importing and Storage System

Single Point Mooring

The Project includes the SPM in order to receive the shipment of crude oil. The SPM will be located in the sea off Sikka Port at Vadinar in the Gulf of Kutch on the west coast of India. The SPM will be anchored to by chains that fix the buoy systems to the seabed. This system is called a catenary anchor leg mooring system. The SPM will be connected to the COT by a 48 inch diameter offshore/onshore pipeline of approximately 17 kilometers in length.

The offshore/onshore pipeline is protected by external coating and corrosion protection systems. The pipeline will utilize a pig launching/receiving system with intelligent pigs. The SPM is designed to receive VLCCs containing crude oil in sizes of up to 320,000 DWT.

Crude Oil Terminal and Pumping System

The COT will receive crude oil from the SPM directly through the offshore/onshore pipeline and into the crude oil tanks located in the COT. The COT is designed with eight floating roof tanks, each of which has 68 meters diameter and 60,000 cubic meters gross capacity, for total storage of 480,000 cubic meters of crude oil. The storage requirements at the COT have been estimated on the basis of the expected frequency of receipt of VLCC tankers, provision for tanker delays and early arrivals of tankers and the rate at which the crude oil is expected to be pumped to the Refinery.

The crude oil from the crude oil tanks will be transferred by three crude booster pumps with 2 working and 1 on standby with a capacity of 445 cubic meters an hour each. The crude booster pumps will take suction from the tanks through a 36 inch header and boost the pressure to approximately 7 kilograms per square centimeter.

The main line pumps with 2 working and 1 on standby with a capacity of 445 cubic meters an hour each will then pump the crude oil at a discharge pressure of approximately 75 kilograms per square centimeter into the Crude Oil Pipeline.

The Crude Oil Pipeline

Crude oil will be transported from the COT at Vadinar to the Refinery through a 24 inch diameter pipeline of approximately 935 kilometers in length. The size of the Crude Oil Pipeline has been designed in view of anticipated capital and operating costs taking into consideration potential future expansion of the facilities. The Crude Oil Pipeline will cross the states of Gujarat and Madhya Pradesh.

The Crude Oil Pipeline design includes an external coating and cathodic protection system to protect it against external corrosion. The internal corrosion protection will be provided through the injection of a corrosion inhibitor.

The Crude Oil Pipeline is designed to include instrumentation and control system, a metering system, a supervisory control and data acquisition system, a leak detection system and telecommunication facilities.

Two more booster pumping stations will be used along the route of the Crude Oil Pipeline in order to bolster the pressure in the Crude Oil Pipeline for the transportation of the crude oil to the Refinery.

The Power Plant

The Project plans also include a captive co-generation power plant of 99 MW (33 MWx3) to supply power and processing steam to the Refinery. The fuel requirement of the Power Plant will be met internally by high calorific value petroleum coke produced in the DCU.

The Township

In connection with the Project, we intend to construct a township located approximately 6 kilometers from the Refinery, primarily for the employees of the Refinery. The Township is planned to include facilities such as a hospital, a school, a sports complex and a shopping center. The Township is also planned to include a waste disposal system, a fire protection system and a communication network with the Refinery.

Utilities

We will construct a weir and an intake well in order to draw water for the Refinery and Township from the Betwa, which is a major river passing near the Refinery. The proposed intake well will be constructed at Mahuta Ghat, which is approximately 6 kilometers from the Refinery. We have obtained permission from the GoMP to draw 10 million gallons per day of water from the Betwa, which we believe will be sufficient to meet the water requirements of the Refinery and the Township.

Project Implementation

We propose to commence commercial production at our Refinery in or around January 2010. Prior to the date of commercial operation, the various units will be tested to for availability of feedstocks for the subsequent down stream units. The SPM, COT and the Crude Oil Pipeline will be tested prior to the process units.

It is also proposed to complete the testing of the Power Plant and other utilities at the Refinery in advance of the process units.

The following table sets forth the expected completion schedule for various aspects of the Project, measured against a base date of January 1, 2006 (the time at which we finalized the plans for the Project).

Description of Activity	Expected Schedule of Completion from Project Zero Date
Project Zero Date	January 1, 2006
Basic Engineering	26 months
Detailed Engineering	38 months
Procurement, Manufacturing and Delivery	42 months
Construction/Commissioning ⁽¹⁾	42/48 months
Overall	48 months

(1) Construction and commissioning will proceed concurrently and all units will be commissioned progressively.

The table below presents scheduled percentage completion for various aspects of the Project as of February 15, 2008 and the actual percentage completed as at February 15, 2008, as estimated by EIL.

Description of Activity	Scheduled percentage completion as of February 15, 2008 ⁽¹⁾	Actual percentage completion as of February 15, 2008 ⁽¹⁾
Project Zero Date	January 1, 2006	January 1, 2006
Basic Engineering	98.37	97.32
Detailed Engineering	72.05	77.30
Procurement, Manufacturing and Delivery	56.03	74.44
Construction /Commissioning ⁽²⁾	29.70	31.30
Overall Progress ⁽³⁾	43.70	49.50

(1) The financial expenditure committed or incurred with respect to the Project does not correspond to the physical progress of the Project.

(2) The current commissioning and construction of the Project reflects the progress achieved in respect of construction activities. Commissioning activities were not scheduled to commence as of February 15, 2008.

(3) At the initiation of the Project, a complete schedule of the Project with milestones and weightings for key activities were established. The Project activities were divided into four major activities: basic engineering (primarily comprised of process engineering and heat and mass transfer engineering); detailed engineering; procurement (primarily including ordering, tendering, manufacturing and delivery); and construction / commissioning. Weighted values (percentage values) have been assigned to each of these activities. The overall Project progress stated above has been calculated on this methodology and reflects the Project status as of February 15, 2008 as assessed by EIL.

(*) Construction and commissioning activities will go concurrently for some time and all units will be commissioned progressively by January 1, 2010.

Technology Licensing

The configuration of the Refinery has been selected by a joint team of deputized BPCL personnel, employees from BORE and EIL. We believe that the process units that have been selected for the configuration are commercially proven and are in operation in India and elsewhere.

The Refinery's configuration includes open art process designs which do not require licenses to use as well as certain licensed processes. The open art process designs, including the CDU/VDU, sulphur recovery unit, other product treatment units, utilities and offsite facilities, have been supplied by EIL.

With respect to our licensed process, our licensors will assist us with respect to the relevant process technologies, basic engineering designs, detailed design reviews and assistance with construction and commissioning.

Project Management Consulting

We have entered into an agreement with EIL to act as project management consultants for the Project. Under the agreement, EIL has been and remains primarily responsible for assisting us in the selection

of suitable licensors and contractors, carrying out basic engineering for open art designs, detailed engineering, sourcing of equipment, assisting us in awarding lump sum turnkey contracts, assisting us in procuring equipment and material, providing pre-commissioning and commissioning assistance for the entire facilities and monitoring the Project.

The Project is being executed through a hybrid methodology. Certain facilities of the Refinery are being constructed on a LSTK basis such as the Power Plant, the sulphur recovery unit and the hydrogen plant. The CDU/VDU, FCHU, DHT, NHT, CCRU, isomerization unit, offsite facilities and utilities, among other aspects, are being implemented using a conventional methodology in which equipment and material is procured by us and the construction is carried out by third party contractors under the supervision and assistance of EIL. The execution of infrastructure facilities, such as the township and the access road to the Refinery, are proposed to be implemented under the supervision and control of our in-house project team with the assistance of EIL and other suitable consultants and contractors.

Operational Support Services by BPCL

Crude Oil Sourcing and other Services

We will rely on BPCL to provide us with crude oil sourcing services. We entered into a Crude Sourcing and Services Agreement with BPCL on December 10, 2007, pursuant to which BPCL has agreed to source crude oil for the Refinery on our behalf. Based on our requirements and in consultation with us, BPCL will source the crude through a mixture of term and spot purchases. BPCL will also be responsible for arranging the transportation of the crude oil and either we or BPCL will arrange the appropriate insurances. In addition, BPCL will also develop a hedging strategy with us in respect of the price of crude oil. We will pay BPCL a 0.03% commission based on the cost of crude and freight for the sourcing of crude, in addition to actual costs, and 25 cents per barrel, or US\$ 1.85 per MT of the quantity hedged in respect to any hedging. Either party may terminate the Crude Sourcing and Services Agreement by giving 12 months notice. The term of the Crude Sourcing and Services Agreement is 15 years from the date of signing.

Risk Management

As part of the Crude Sourcing and Services Agreement, we have the option to enter into a long-term agreement with BPCL to provide us with risk management services, including the hedging of interest rate and currency risks. BPCL operates a risk management desk that utilizes hedging instruments to seek to reduce the impact of market volatility in crude oil and petroleum product prices on its profitability.

For further details see the section “History and Certain Corporate Matters – Crude Sourcing and Services Agreement” beginning on page 96.

Petroleum Product Sales and Marketing

Off-take Agreement

In connection with the Sanctioned Project Loan, we entered into the Off-take Agreement pursuant to which we have contracted to sell substantially all of the Refinery's petroleum products to BPCL.

Under the terms of the Off-take Agreement, we are obliged to sell to BPCL such petroleum products within the ranges set forth in the table below.

(in TMTPA)

Product	Total Quantity
LPG	190-260
Naphtha	230-310

Product	Total Quantity
Euro III-equivalent gasoline	375-450
Euro IV-equivalent gasoline	350-450
Aviation turbine fuel	450-550
SKO	250-500
Euro III-equivalent HSD	1750-2000
Euro IV-equivalent HSD	900-1100

In respect of naphtha, the GoMP has a right of first refusal to purchase all such naphtha that is produced by us on an annual basis. To the extent that any such naphtha is not taken up by the GoMP, BPCL is under an obligation to purchase all such outstanding naphtha.

For all products other than naphtha and additional purchases, the price at which our petroleum products will be sold to BPCL will be determined by the standard Indian pricing mechanism. For further details see the section “Industry – Pricing Mechanism” beginning on page 65. The price will be determined in accordance with a basic price based on IPP/TPP and an inland freight cost. In relation to naphtha and additional purchases, the price will not be less than EPP. We do not believe that there is currently a standard Indian pricing mechanism for sulphur.

In the event that BPCL does not purchase our petroleum products in the ranges specified above, it will be required to pay us compensation equal to an amount which is the lesser of an amount based on our GRMs and an amount that is equal to our debt service obligation under the Sanctioned Project Loan. Additionally, BPCL may request a discount on all or part of such amount which we shall be obliged to grant, subject to our maintaining a minimum debt service coverage ratio of 1.30.

If we fail to supply BPCL with the required products, then we are under an obligation to pay liquidated damages to BPCL. Such an amount will be calculated on the lesser of the difference in price between the price under the contract for the products and the price that BPCL would have to pay an alternative third party supplier for the same products, and Rs. 600 per tonne.

The Off-take Agreement is for an initial term of 15 years from the actual date on which supply of the products under the agreement commences.

For further details see the section “History and Certain Corporate Matters – Off-take Agreement” beginning on page 96.

Marketing Terminal

BPCL intends to construct, at its own cost, the Marketing Terminal located adjacent to the Refinery. The Refinery's petroleum products, excluding LPG, will be stored in tanks at the Marketing Terminal. The LPG will be stored in mounded storage. The Marketing Terminal is planned to have the capacity to store approximately 385,000 kiloliters of petroleum products, which equates to approximately 15 days of the Refinery's planned output. The petroleum products will then be pumped to the dispatch facilities for sale to BPCL and onward distribution. The dispatch facilities are planned to include a fully automated rail and lorry loading facilities with connections for the dispatch of gasoline, kerosene, HSD and aviation turbine fuel through the Product Pipeline Connection. Although the Product Pipeline Connection is an independent BPCL project and does not form part of the Project, it connects the Marketing Terminal to the BPCL Product Pipeline.

BPCL intends to lease the use of the Marketing Terminal to us. The lease will be rented to us at a nominal price agreed mutually between us and BPCL and will be co-terminus with the duration of the Off-take Agreement. We intend to market and distribute the petroleum products to BPCL from the Marketing Terminal. Under the terms of the Off-take Agreement, any failure by BPCL to construct

and deliver the Marketing Terminal to us will not lead to an extension of the scheduled date on which we are due to commence commercial delivery, although BPCL may be required to pay compensation to us.

Manpower Services

We have estimated that we will require a total number of 500 employees when commercial production commences at the Refinery. Our overall recruitment strategy is based on employing both experienced people and recent graduates. We have also drawn on the experience of a core group of personnel which has been deputed from BPCL's Mumbai refinery on five year terms. As at January 31, 2008, we have 77 employees working on the Project, in addition to approximately 40 BPCL deputees, and we anticipate that we will recruit a further 100 to 120 employees during the course of fiscal 2009. We have already developed training programs focused on knowledge and competence in preparation of the pre-commissioning activities. Other training programs cover equipment, technologies and operations. We also plan to place a number of the employees in other refineries with similar operations to ours for the purposes of training. Additionally, BPCL will depute to us skilled manpower and technical resources on an ad hoc basis, subject to availability, during the Refinery's construction period and operational period.

Financing the Project

The overall capital cost of the Project is estimated to be Rs. 103,780.00 million (approximately US\$ 2,599.04 million), which we propose to fund through debt of approximately Rs. 63,870.00 million (approximately US\$ 1,599.54 million) and equity of approximately Rs. 40,000.00 million (approximately US\$ 1,001.75 million), including proceeds of the Issue.

The following table sets forth the estimated cost of various aspects of the Project as estimated by EIL in October, 2007.

Description	(in Rs. million) Total Estimated Cost
Land	644.30
Site Development	740.10
License fee, Know-how, Basic Engineering Fee	1,070.00
Plant and Machinery and PMC, EPCM, and other consultants costs ⁽¹⁾	82,599.80
Township, roads, buildings, workshop and lab equipments, and infrastructure and construction site facilities	3,583.40
Owners' construction period expenses, issue expenses, upfront fees and syndication charges	2,350.00
Startup and commissioning	430.00
Working Capital Margin	4,500.00
Financing charges (Interest during construction)	6,580.00
Contingency Provisions	1,282.40
Total	103,780.00

(1) Plant and machinery - related costs are crude import handling and transfer facilities, Refinery block, utilities and offsites, and bulk material.

Further, as of December 31, 2007, we have made total commitments to the extent of Rs. 81,034.21 million which includes expenditure incurred of Rs. 17,756.22 million and commitments of Rs. 63,277.99 million on firm orders and contracts representing approximately 80% of the total estimated Project cost.

Our Sanctioned Project Loan provides for total borrowings of Rs. 63,870 million (US\$ 1,599.54 million), of which Rs. 14,154.30 million (US\$ 354.47 million) has been disbursed as of March 15,

2008. For further details see the section “Financial Indebtedness” beginning on page 200.

Competition

The refining industry is highly competitive and competition within the refining industry may affect the prevailing industry practice determining the price of sales of refined products in India. Competition is based primarily on price and to a lesser extent on product performance, product quality, product deliverability and customer service. In addition, we will compete with other industries that provide alternative means to satisfy the energy and fuel requirements of our off-takers, such as natural gas, coal and renewable energy sources. We believe that the Off-take Agreement provides us with certain protections against a lack of a market for our products, as well as BPCL's seeking an alternative supply for refined products within our target market; however, the prices we receive under the Off-take Agreement are subject to competitive factors that influence prevailing industry practice determining the price of sales of refined products in India.

Insurance

We have in place EAR and third party liability insurance coverage in respect of the Project with The New India Assurance Co. Ltd. The EAR and third party liability cover extends to January 2, 2010 and is extendable for 3 months at the same premium rate.

Our EAR cover generally includes material damage with respect to our works, materials, equipment and property relating to the Project. Our cover for third party liability includes accidental death, injury, illness of third parties, accidental loss or damage to the property of third parties and liability arising from the construction, erection and testing of our property or any operation carried out by a third party contractor (although we generally require our third party contractors to maintain insurance in respect of their employees, as well as third party risk liability insurance and any other insurances required by law or regulation). The EAR and third party liability cover is subject to certain exclusions and deductibles.

We also have in place ALOP insurance coverage in respect of the Project with The New India Assurance Co. Ltd. The ALOP cover generally entitles us to seek indemnification for up to 15 months of loss of revenue (to the extent of our debt service costs) due to an insurable delay in the commencement of our commercial operations. Under the ALOP Cover, we must bear the first 45 days of lost revenue.

We also have in place marine risks cover with The New India Assurance Co. Ltd. Our marine risks cover includes specified property while in transit by ocean, air, rail and road to the Project and contains customary exclusions and deductibles. The marine risk cover expires on July 12, 2008 and we intend to renew this policy on an annual basis to the extent that we deem appropriate.

We expect to obtain a customary operations insurance policy for the Project once we commence commercial operations.

Property

Our Registered Office

Our registered office situated at ‘A’ Block, Office Complex, Gautam Nagar, Bhopal, Madhya Pradesh which, covers a total area of approximately 70 square meters, is registered in the name of our Promoter. Our Promoter has allowed our Company to use the premises as our registered office. However, there is no specific lease or other agreement entered into between our Promoter and us, in this regard.

Our Corporate Office

Our corporate office is located at Administrative Office, Mumbai Refinery, Bharat Petroleum

Corporation Limited, Mahul, Mumbai, and the land is currently registered in the name of our Promoter. Our Promoter has allowed our Company to use the premises as our corporate office. However, there is no specific lease or other agreement entered into between our Promoter and us, in this regard.

Land

We have acquired the following properties/right of usage on the properties for the implementation of our Project:

- *Land for setting up the Refinery.* The land required for setting up the Refinery and related infrastructure including the township at Bina, comprises of a total area of 1018.727 hectares, out of which BPCL had directly acquired, land admeasuring 280.42 hectares from private parties. Further, land admeasuring, 725.63 hectares was allotted by the GoMP to BPCL and the remaining land admeasuring 12.677 hectares was directly acquired by our Company from private parties. The Collector of Sagar pursuant to various orders in August 2006 and January 2007, transferred the aforesaid land allotted to BPCL to us. In addition, such land has been mortgaged in favor of our lenders in accordance with the terms of our Sanctioned Project Loan.
- *Laying of the Crude Oil Pipeline.* We have acquired a RoU from private land owners and RoW from government authorities for laying of the Crude Oil Pipeline over a stretch of approximately 935 kilometers running across the states of Madhya Pradesh and Gujarat. The RoU was acquired by the central government from private land owners pursuant to the provisions of the Pipelines Act. The RoW was obtained over public property, i.e., forests, canals, rivers obtained from the relevant government authorities such as Western Railway, Roads and Bridges Department etc. In addition we have acquired land comprising of 16.92 hectares in Madhya Pradesh and 0.82 hectares in Gujarat and BPCL has acquired 14.80 hectares of land in Gujarat under the Land Acquisition Act 1894 for setting up of sectionalizing valve stations, pumping stations and the intermediate pigging stations across the stretch of the Crude Oil Pipeline.
- *The COT and related activities in Gujarat.* Our Promoter, BPCL has acquired freehold land comprising of 186.21 hectares from the Government of Gujarat on our behalf for construction of the COT, sectionalizing valve stations and the approach road for the COT. As on the date of filing this Draft Red Herring Prospectus, the land continues to be registered in the name of our Promoter. Pending transfer of the land in our favor, our Promoter has issued a no objection certificate dated February 9, 2007 in favor for setting up of the COT and associated facilities at Vadinar. In addition, such land has been mortgaged in favor of our lenders in accordance with the terms of our Sanctioned Project Loan.

Buildings premises used by our Company at the COT

BPCL has permitted our Company to use the following premises situated at the COT for various purposes. There is no specific lease or other agreement entered into between BPCL and us in this regard.


Location	Area (in square meters)	Purpose
Gujarat		
Vadinar District, Jamnagar	472.5 square meters	Fire station
Vadinar District, Jamnagar	420 square meters	Site office building
Vadinar District, Jamnagar	360 square meters	Warehouse purpose
Vadinar District, Jamnagar	117.60 square meters	Gate house building

Leased building premises

We have also leased certain other properties for various uses. The table below sets forth the details of these leased properties.

Location	Purpose
Gujarat	
No: 404, Dwarkesh Dham Apartments, Raj Nagar society, Jamnagar	Accommodation for the employees of our Company and EIL staff
Wing B, Office No. 23, 24 at 1 st Floor, Pramukh Swami Arced, Malviya Chowk, Rajkot	Commercial premises for the office of the Crude Oil Pipeline
No. 4, Ramjalaram Bungalows, Pralhad Nagar, Ahmedabad	Guest house for staff working on the Crude Oil Pipeline.
No. 14, Krishna Bungalow, Pralhad Nagar, Ahmedabad	Office for the Crude Oil Pipeline.
No. 14 A, Krishna Bungalow, Pralhad Nagar, Ahmedabad	Used both for residential and office purpose for Crude Oil Pipeline.
A-2, Prayag A, Harilal Gosliya Marg, Shroff Road, Rajkot	Guest house for staff of Crude Oil Pipeline.
18, Shantiniwas Society, Godhra	Crude Oil Pipeline, Godhra camp office
Jyoti Society, College Road, Godhra	Crude Oil Pipeline, Godhra guest house
Madhya Pradesh	
Pushpa Vihar Colony , Bina	Accommodation
Pushpa Vihar Colony , Mansoravar House, Bina	Accommodation
Rajeev Gandhi Ward, Mission Compound, Bina	Accommodation

Intellectual Property

For information on our intellectual property, see the subsection “ – Technology Licensing” beginning on page 77 and the section “Risk Factors - We do not own the “  ” logo, and our future ability to use the logo, name and trademark may be impaired” beginning on page xxxiii.

Employees

As of January 31, 2008, BORL had 77 employees. We are presently recruiting and shall continue to recruit our own permanent employees as the Project progresses. We have no trade unions at this point in time.

We will endeavor to establish good relations with our own employees as well as employees who have been seconded from BPCL.

Health, Safety and Environment

We propose to make available modern occupational health and medical services accessible to all our employees at an occupational health center.

The Project's facilities have been designed based on applicable international and national codes and are planned to include salient safety features including well spaced layouts for facilities, blast proof controlled rooms and outside the hazardous areas, mounted bullets for LPG storage and independent fire and safety facilities which are staffed by qualified and experienced specialist fire fighters.

We believe our design plans for the Project are in accordance with all applicable environmental laws

and regulations. We intend to implement structured environmental monitoring, management systems and regular audits with respect to our compliance with environmental regulations.

REGULATIONS AND POLICIES IN INDIA

General

The construction and subsequent operation of our Project, including the Refinery, will be subject to a range of laws and regulations adopted by governmental and local authorities. For example, our Refinery will be subject to increasingly stringent environmental regulation; its feedstock materials and products are classified as chemicals or hazardous chemicals and, as such, will be subject to numerous regulations and controls governing their handling and storage. Certain regulations affecting our Company's operations are described below.

(1). Environmental Regulations

- 1 The Environment (Protection) Act, 1986, the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981 provide for the prevention, control and abatement of pollution. Pollution control boards have been set up to exercise the powers under these statutes and perform the functions for preventing and controlling pollution. Our Company is required to obtain clearance of the pollution control boards for emissions and discharge of effluents into the environment and will have to comply with the provisions of these Acts and the rules thereunder.
- 2 The Hazardous Waste (Management and Handling) Rules, 1989 provide that waste oil and oil emulsions are hazardous wastes and impose an obligation on our Company to dispose the hazardous wastes properly and ensure their proper collection, treatment, storage and disposal. Our Company is required to obtain an approval from the pollution control board for collecting, storing and treating the hazardous waste.
- 3 The Environment Impact Assessment Notification S.O. 60(E) dated January 27, 1994 (the "1994 Notification") imposes restrictions and prohibitions on the expansion and modernization of any activity or new projects being undertaken in any part of India unless environmental clearance has been accorded by the central government or the state government in accordance with the procedure specified. Entry 4 of Schedule 1 of the 1994 Notification brings all petroleum refining projects within the purview of projects requiring such clearance from the central government or the state environment impact assessment authority. On September 14, 2006, the Environment Impact Assessment Notification S.O.1533 (the "2006 Notification") superseded the 1994 Notification. The 2006 Notification has primarily amended the process for obtaining environmental clearance, which for new projects, now consists of four stages – screening, scoping, public consultation and appraisal. Petroleum refining industries are included in Entry 4(a) of the Schedule to the 2006 Notification.
- 4 The Merchant Shipping Act, 1956 provides for liability of the owner of the ship which arises due to loss or damage caused outside the ship by contamination resulting from escape or discharge of oil from the ship, wherever such escape or discharge occurs.
- 5 The Forest (Conservation) Act, 1980 provides for restrictions on the de-reservation of forests or use of forest for non-forest purpose. 'Non-forest purpose' has been defined to mean the breaking up or clearing of any forest land or portion thereof for (a) the cultivation of tea, coffee, spices, rubber, palms, oil-bearing plants, horticultural crops or medicinal plants; (b) any purpose other than reafforestation; but does not include any work relating or ancillary to conservation, development and management of forests and wildlife, such as, the establishment of check-posts, fire lines, wireless communications and construction of fencing, bridges and culverts, dams, waterholes or other like purposes.
- 6 The Wildlife Protection Act, 1972 (the "WLPA") provides for the protection of wild animals, birds and plants and for matters connected therewith. The WLPA specifies certain conditions, in which the Chief Wildlife Warden may grant permission for hunting of an animal, acquire or transport any specified plants etc. It also provides that the respective state government may, by notification, declare its intention to constitute any area, other than the area comprised with any reserve forest or the territorial waters, as a sanctuary if it considers that such area is of adequate ecological, faunal, floral, geomorphological, natural, zoological significance, for the

purpose of protecting, propagating or developing wildlife or its environment and no person, other than certain specified persons, are permitted to enter or reside in such sanctuaries. Under the provisions of the WLPA, the Chief Wildlife Warden has the authority to grant any permission for construction of roads, bridges, pipes etc. within the limits of the sanctuary.

(2). Laws relating to Petroleum and Natural Gas

- 1 The Petroleum and Natural Gas Regulatory Board Act, 2006 (the “**PNG Act**”) applies to refining, processing, storage, transportation, distribution, marketing and sale of petroleum, petroleum products and natural gas excluding production of crude oil and natural gas, registration of entities, application for authorisation etc. The Government of India, under the PNG Act is empowered to establish a petroleum and natural gas regulatory board to oversee the downstream petroleum products sector in the country to regulate the refining, processing, storage, transportation, distribution, marketing and sale of petroleum, petroleum products and natural gas (excluding production of crude oil and natural gas) so as to protect the interests of consumers and specified entities and to further ensure uninterrupted and adequate supply of petroleum products and natural gas in all parts of the country.
- 2 The Petroleum Act, 1934 (the “**Petroleum Act**”) prescribes provisions for import, transport, storage, production, refining and blending of petroleum. As per Section 5, no one shall produce, refine or blend petroleum save in accordance with the rules made under sub-section 2 of Section 5. The Petroleum Act provides for inspection of place storing petroleum and testing of petroleum, among other provisions.
- 3 The Petroleum Rules, 1976 (the “**Petroleum Rules**”) prescribe restrictions on, *inter alia*, delivery and despatch of petroleum, importation of petroleum, transportation of petroleum, electric installation and apparatus, storage of petroleum requiring license, refining and blending of petroleum. The Petroleum Rules also provides for approval of refineries, retention of plans and specification, drainage, permits to carry out maintenance and repair work, marking of pipelines and cables, inspection, fire control, safe operation etc. Under the Petroleum Rules, the specific approval of the Chief Controller of Explosives is required prior to commencement of operations by any refinery.
- 4 The Oilfields (Regulation and Development) Act, 1948 prescribes rules for regulation of oil fields and development of oil and mineral resources.
- 5 The Petroleum and Mineral Pipelines (Acquisition of Right of User in Land) Act, 1962 (the “**Pipelines Act**”) was brought into force in the state of Madhya Pradesh pursuant to notification dated June 12, 1963. The Pipelines Act prescribes the procedure for acquisition of right of user in land for purposes of laying pipelines and the payment of compensation towards the same. The Pipelines Act also contains provisions relating to the use of land in respect of which right of user has been acquired. Under Section 3(1) of the Pipelines Act, whenever it appears to the Central Government, that it is necessary in the public interest, to acquire land for the purpose of laying pipelines, it shall declare its interest to acquire the right of use in the land by notification in the official gazette. If no one objects to the acquisition of the land within 21 days of the publication of the notification, then under Section 6(1) of the Pipelines Act, the Central Government by a notification in the official gazette declares that the right of user in the concerned land shall vest absolutely with the Central Government free from all encumbrances. Further under Section 6(4) of the Pipelines Act, the Central Government, on such terms and conditions as it may deem fit, may direct by order in writing that, the right of user in the land for laying the pipelines shall, instead of vesting with the Central Government, vest with the state government or the corporation proposing to lay the pipelines.
- 6 The Oil Industry (Development) Act, 1974 (the “**Oil Industry Act**”) provides for the establishment of the Oil Industry Development Board, which is empowered to take measures for the promotion of the oil industry, including the grant of financial and other assistance. The Oil Industry Act also provides for the levy of a duty of excise on crude oil and natural gas, which is produced in India and removed to a refinery or factory or is transferred by the person by whom such item is produced to another person. The proceeds of such duty shall be

credited to the Consolidated Fund of India and shall be utilized specifically for the purposes of the Oil Industry Act. Further, the Central Government may require any person or class of persons engaged in the oil industry (which includes refineries) to maintain such books, accounts or records as may be notified by the Central Government.

- 7 The Petroleum Products (Maintenance of Production, Storage and Supply) Order, 1999 (the “**Petroleum Order**”) authorizes the Central Government to direct any oil refining company to either maintain a certain specified level of production of a certain product or mix, or to maintain a certain specified amount of stock of petroleum products, if the Central Government is satisfied that it is in the public interest to do so. The Central Government shall consider the factors specified in the Petroleum Order in issuing such directions. Further, all oil refining companies are required to furnish certain information to the Central Government or its nominated agency upon request, including information in relation to procurement of crude oil, production of petroleum products, etc.

(3). Labour Related Regulations

- 1 The Contract Labour Act is applicable to every establishment in which twenty or more workmen are employed or were employed on any day of the preceding twelve months as contract labour; and makes it compulsory for principal employer of such establishment to seek registration under the Contract Labour Act. Also, no contractor may execute any work through contract labourers except under and in accordance with a license issued in that behalf by the licensing officer.
- 2 Petroleum industries, including oil refining, have been included under Entry 9 of the First Schedule to the Factories Act, 1948 (the “**Factories Act**”) among the list of industries involving hazardous processes. The Factories Act defines a ‘factory’ to be any premises on which on any day in the previous 12 months, 10 or more workers are or were working and in which a manufacturing process is being carried on or is ordinarily carried on with the aid of power; or where at least 20 workers are or were working on any day in the preceding 12 months and on which a manufacturing process is being carried on or is ordinarily carried on without the aid of power. The Factories Act seeks compliance of the ‘occupier’ of a factory (defined as the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors), with certain requirements to ensure occupational health and safety of workers. Chapter IV A specifically lists the obligations involving industries employing hazardous processes, which include among others, compulsory disclosure of information regarding dangers, health hazards and measures to counter hazards arising from materials and processes in the industry; specific responsibility of the occupier in relation to hazardous processes; and the state government’s power to appoint a site appraisal committee.

(4). Other Laws

Essential Commodities Act, 1955

The Essential Commodities Act, 1955 (the “**Essential Commodities Act**”) allows the Central Government to regulate, if necessary in the public interest or for ensuring efficient distribution at fair prices, the production, supply and distribution of essential commodities, which include petrol and petroleum products.

Other Requirements

Our Company is required to obtain certain approvals from various central and state ministries, agencies and regulators in the process of building the Refinery. These include approvals required for the Refinery site from the Chief Inspector of Factories and the Chief Controller of Explosives.

Recommendations of the Rangarajan Committee

The Rangarajan Committee (the “**Committee**”) which was set up by the GoI to advise on

petroleum product pricing submitted its recommendations on the concerns of the oil industry to the petroleum ministry on February 17, 2006.

The Committee recommended, among other things, implementation of a trade parity policy for pricing of petroleum and diesel, termination of the principle of freight equalisation for calculating price of petrol and diesel at different locations, government to keep arm's length from price determination and to allow flexibility to oil companies to fix the retail prices under the proposed formula, reduction of customs duty on petrol and diesel to 7.5 percent and an upward adjustment in the price of petrol and diesel due to an increase in international prices. The Rangarajan Committee also recommended the restructuring of excise duties from the present mix of specific and ad-valorem to a pure specific levy. Lastly, the Rangarajan Committee recommended measures in relation to pricing of domestic LPG and PDS (public distribution system) kerosene.

(5) Foreign Direct Investment Regulations

The Foreign Exchange Management (Transfer and Issue of Security by Person Resident outside India) Regulations, 2000 (the “**FDI Regulations**”) regulates the transfer or issuance of securities of an Indian company to a person resident outside India. As per Annexure B of Schedule I, read with Regulation 5, of the FDI Regulations that provides for the sectoral caps on the investments by a person resident outside India, 100% investment under automatic route by a person resident outside Indian in petroleum refining is permitted in the private sector. Further, as per Press Note 5 of 2008 issued by the Department of Industrial Policy and Promotion, foreign investment up to 49%, with the prior approval of the FIPB, is permitted in public sector undertakings.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as a public limited company, under the Companies Act, on February 25, 1994 pursuant to a joint venture agreement entered into between BPCL and OOCL on December 23, 1993. Our Company obtained its certificate of commencement of business from the Registrar of Companies on May 16, 1994.

Our Registered Office is situated at 'A' Block, Office Complex, Gautam Nagar, Bhopal, Madhya Pradesh- 462 023, India. We have not changed the Registered Office since incorporation.

Brief History and Major Events

The President of India through the Ministry of Petroleum and Natural Gas, BPCL, the Government of the Sultanate of Oman and OOCL, entered into an MoU on March 13, 1993 to collaborate for the purposes of implementing a project to design, finance, construct and operate a refinery, with an initial capacity of 6 MMTPA, to be set up in the state of Madhya Pradesh, including a single point mooring facility, a crude oil storage facility and a crude oil pipeline for transportation of crude oil from a designated single point mooring on the west coast of India to the Refinery. The Project was sought to be implemented by forming a public limited company, by way of a joint venture between BPCL and OOCL.

Accordingly, our Company was formed pursuant to a joint venture agreement dated December 23, 1993 (the "**Joint Venture Agreement**") entered into between BPCL and OOCL, to participate in the implementation of the Project on such terms and conditions as set out therein, including the matters pertaining to the functioning of our Company.

After the completion of certain preliminary activities relating to land acquisition and procurement of approvals for the cross country Crude Oil Pipeline and preparation of basic engineering designs, further progress of the work was affected due to delay in receipt of clearances under the Wildlife (Protection) Act, 1972 ("**WLPA**") for the construction of the Crude Oil Pipeline between the SPM and the COT at Vadinar, Gujarat, due to various public interest litigations filed by certain non-governmental organisations in the High Court of Gujarat. Subsequently, on a special leave petition, the Supreme Court of India, on January 19, 2004, having heard the above public interest litigations, interpreted the terms of the WLPA in our Company's favour and we obtained the licences required there under.

However, due to the delay caused on account of obtaining the necessary approvals under the WLPA, the Project could not be implemented as per the original schedule in terms of the Joint Venture Agreement and accordingly, our Company could not commence its operations. This delay resulted in OOCL reviewing its investment strategy in our Company. Subsequently, OOCL decided to restrict its investment in our Company to its original investment of Rs. 755,000,000 and agreed to reduce its existing shareholding level in our Company. Consequently, BPCL and OOCL entered into a Supplemental Agreement, dated September 9, 2004 (the "**Supplemental Agreement**") and amended certain provisions of the Joint Venture Agreement to reflect the rights of OOCL in our Company, in accordance with the proposed reduction in its shareholding. For further details of the Joint Venture Agreement and the Supplemental Agreement see the paragraph "Material Contracts" below.

Upon completion of this Issue, the shareholding of OOCL or its affiliate, as the case may be, in our Company is expected to be reduced below 10% of the total paid up equity shareholding and, as per the terms of the Joint Venture Agreement, BPCL may terminate the Joint Venture Agreement and, in such an event, the rights of OOCL or its affiliate, as the case may be, under such agreement shall cease to exist. For further details of the termination of the Joint Venture Agreement and the Supplemental Agreement see the paragraphs "Joint Venture Agreement" and "Supplemental Agreement" below.

Further OOCL, pursuant to a Transfer Agreement dated February 2, 2008, sold its entire shareholding in our Company, comprising of 75,500,000 Equity Shares, to its affiliate, Oman SAOC. For further details of the Transfer Agreement see the paragraph "Transfer Agreement" below.

Main Objects

The main objects of our Company as contained in its Memorandum of Association are:

1. To carry on the business of producers, refiners, processors, buyers, sellers, distributors, importers, exporters, traders, agents, stockists, storers and suppliers of all types of crude oils, petroleum and petroleum products including crude oil, oil, lubricating oils, lubes, base oil stocks, additives gas and other volatile substances, aromatics asphalt, bitumen, bituminous substances, carbon, carbon black, hydrocarbon and mineral substances and the products or the bye-products feed stocks for petrochemicals which may be derived, produced, prepared, developed, compounded, made or manufactured therefrom and substances obtained by mixing any of the foregoing with other substances and all kinds, types, purposes, grades, forms and formulations of petrochemical products in all their branches including Ethylene, Propylene, Butadiene and to put to commercial use and otherwise deal in any manner in all or any of them and their allied products and materials and to establish, purchase, acquire, own design, engineer, fabricate, build, alter, improve, operate, manage, maintain, repair, buy and sell refineries, pipelines, buildings, plants, equipment, facilities and outlets for the production, refining, processions, storage, supply, transportation and distribution of all types of crude oils, petroleum and petroleum products including those referred to hereinabove and derivatives thereof, whether liquid, solid or gaseous, and petrochemicals of all kinds and to provide consultancy in all its branches in respect of all or any of the aforesaid.
2. To purchase or otherwise acquire any and all types of crude oils and to manufacture, process, refine, treat, reduce, distill, blend, convert, smelt, produce, purify, pump, store, hold, compress, bottle, pack, use, experiment with, buy, exchange, trade, transport, import, export, sell, market, supply, distribute or otherwise dispose of or deal in petroleum and petroleum products of any nature and kind whatsoever including those referred to in Main Objects Clause I hereinabove and petro chemicals including:
 - (a) all Organic and inorganic chemicals and synthetic chemicals derived from petroleum hydrocarbon of any nature and kind whatsoever including by product, derivatives, and mixtures thereof.
 - (b) Special types of petroleum and petroleum products, including specifically refinery gases, reformer gases, naphtha reformat, special middle distillate fractions, residual fuel oil, and slack wax.
3. To implement the projects for setting up and operating of an oil refinery in the State of Madhya Pradesh and construction and/or laying up of pipelines for transportation of the crude oil, petroleum and petroleum products and petrochemical products.

Amendments to the Memorandum of Association

Since its incorporation, the following changes have been made to the Memorandum of Association of our Company:

DATE OF AMENDMENT	AMENDMENT
April 28, 1994	The authorized share capital of our Company was increased from Rs. 10,000,000 to Rs. 200,000,000.
May 19, 1996	The authorized share capital of our Company was increased from Rs. 200,000,000 to Rs. 22,000,000,000.
February 15, 2005	The objects clause was amended to include the implementation of Supplemental Agreement dated September 9, 2004, amending the Joint Venture Agreement dated December 23, 1993 between BPCL and OOCL, as a main object.
March 3, 2006	The authorized share capital of our Company was increased from Rs. 22,000,000,000 to Rs. 45,000,000,000.

January 23, 2008	The main objects clause, "To approve, ratify and confirm, implement or adopt and carry into effect, as far as the Company is concerned, the Joint Venture Agreement dated December 23, 1993 and Supplemental Agreement dated September 9, 2004 entered into between Bharat Petroleum Corporation Limited and Oman Oil Company Limited for the implementation of projects referred to therein including setting up and the operation of an oil refinery in the State of Madhya Pradesh and construction and/or laying up of pipelines for transportation of crude oil, petroleum and petroleum products and petrochemical products." was deleted and replaced by the following clause "To implement the projects for setting up and operating of an oil refinery in the State of Madhya Pradesh and construction and/or laying up of pipelines for transportation of the crude oil, petroleum and petroleum products and petrochemical products."
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Subsidiaries, Joint Ventures and Associates

Our Company does not have any subsidiaries or associates, nor has it entered into any joint venture agreements with any third parties, as on the date of filing this Draft Red Herring Prospectus.

Material Contracts

Except as mentioned below there are no material contracts entered into by our Company, as on the date of filing this Draft Red Herring Prospectus:

Joint Venture Agreement and Supplemental Agreement between BPCL and OOCL

Joint Venture Agreement

Our Company was incorporated pursuant to the Joint Venture Agreement entered into between BPCL and OOCL on December 23, 1993, for the purpose of implementing a project to design, finance, construct and operate the Refinery to be set up in the state of Madhya Pradesh including a single point mooring facility, a crude oil storage facility and a crude oil pipeline for transportation of crude oil from a designated single point mooring on the west coast of India to the Refinery. The Joint Venture Agreement stated the terms of participation between BPCL and OOCL for the implementation of the Project along with the respective rights and liabilities in relation to the functioning of our Company. Certain relevant terms and conditions of the Joint Venture Agreement are as follows:

Transfer of Shares: As per the Joint Venture Agreement, OOCL shall be entitled to transfer up to 40% of its 26% shareholding in our Company to one or more internationally known major oil companies, after consulting BPCL. However, prior to any of the parties transferring Equity Shares to any of its affiliate(s), it shall cause such affiliate(s) to enter into appropriate agreements or furnish undertakings to be bound by the terms of the Joint Venture Agreement.

As regards the transfer of the shares of our Company, the Joint Venture Agreement further provides that:

- Except as provided under the Joint Venture Agreement, no party shall sell, transfer, assign, hypothecate, mortgage or otherwise encumber its shareholding in our Company nor shall it transfer or create any interest in voting rights in the Equity Shares held by it nor shall it permit its Affiliates who are bound by the terms of the Joint Venture Agreement to do the same, for a period of five years from the start of production by our Company, or as may be prescribed by SEBI or until such time any undertaking or guarantee is given by BPCL and OOCL to any financial institutions, banks or to the other parties relating to or on behalf of our Company, without the prior written consent of other parties.
- In addition, after such period, neither the parties nor their Affiliates shall sell, transfer, assign, hypothecate, mortgage or otherwise encumber the whole or any part of their shareholding or transfer or create any interest in voting rights in the Equity Shares held by them in our Company, except as specified in the Joint Venture Agreement.
- If a party intends to sell its shares, it shall be required to offer shares held by it to the other party first at fair market price, determined by independent auditors/valuers, and in the event

the other party does not accept such offer within 60 days, thereafter sell the shares of our Company on the stock exchange or to any third party. However, neither party shall dispose of its Equity Shares to a third party at a price which is more than 5% (five percent) less than the price offered to the other party without offering the Equity Shares to the other party at such price.

Board: Under the terms of the Joint Venture Agreement, the Board of our Company shall consist of at least one non retiring director appointed by each of BPCL and OOCL. In the event of one party appointing more than one non retiring director, the other party shall also have the right to appoint a proportionate number of non retiring directors. The Joint Venture Agreement further provides that each of BPCL and OOCL shall have at least one nominee Director on all the committees of the Board.

The Joint Venture Agreement further provides that:

- the Managing Director of our Company shall be a nominee of BPCL elected by the unanimous vote of BPCL and OOCL.
- the chairman shall be the non-retiring nominee Director of OOCL elected by a unanimous vote of the BPCL and OOCL Directors. However, the chairman shall not be an executive chairman or be in the whole time employment of our Company.
- BPCL and OOCL each has the right to appoint two Directors as long as it holds more than 15% of the issued and outstanding Equity Shares but less than 26% of the issued and outstanding Equity Shares, and if a party holds less than 15% of the issued and outstanding Equity Shares but not less than 10%, it shall have the right to appoint only one director.
- in the event either party's shareholding falls below 10% all rights under the Joint Venture Agreement shall cease and the other parties shall have the option to terminate this agreement at any time.

Reserved Matters: As per the Joint Venture Agreement, no resolution shall be passed and no decision will be taken at a meeting of the Board of Directors or any committee thereof in relation to the following matters without the affirmative vote of at least one Director nominated by each of BPCL and OOCL:

- adoption of our Company's annual capital, revenue budget, strategic plan and business plan and any disbursement of funds not authorised by such budget;
- selection of technology and process know-how;
- awarding any contract of value greater than Rs. 100,000,000;
- disposal or sale of any assets other than immovable property whose original costs exceed Rs. 50,000,000 and in case of purchase or sale of any immovable property, the value of which is more than Rs. 50,000,000;
- diversification policies;
- any long term loan;
- utilization of surplus funds other than in ordinary course of business;
- investment proposal for more than Rs. 50,000,000 and cost overruns beyond 20% for such a project;
- recommendation by the Board for declaring a dividend;
- amendment of Memorandum of Association or Articles of Association of our Company;
- appointment of statutory auditors;
- acquisition, grant or disposal of any intellectual property rights;
- proposal to merge the Company with another organization or to form another joint venture company or a partnership between the Company and any organization;
- appointment of principal banks of our Company;
- pledging or encumbering any asset of our Company and issuance of corporate guarantees or incurring any contingent or unusual liability except as provided under the agreement;
- pricing and marketing policies for certain products;
- employment, promotion and dismissal of top management personnel;
- any proposal to form any subsidiary of our Company;
- grant of any loan in excess of Rs. 5,000,000; and
- entering into any agreement to assign, license with any third party to provide information with respect to patents, trade secrets, technical information or other intellectual property owned or

licensed by Company and any agreement to acquire any such rights from a third party.

Termination: The Joint Venture Agreement provides that the agreement may be terminated in the following manner:

- In the event the approval granted by the Government of India for the Project consists of any such terms and conditions not acceptable by parties, jointly or individually, or any approvals with respect to the Project cannot be obtained or the parties determine not to proceed with the Project, then the Joint Venture Agreement may be terminated by a written notice to the other party without the parties being liable to each other in any manner. On such termination, the terminating party shall offer its Equity Shares to the other party on a fair market value as provided in the Joint Venture Agreement. If the offer of Equity Shares is not accepted by the other party or its designated nominee or a sale to a third party not being completed, then our Company shall be voluntarily wound up.
- If the parties do not agree on the terms related to marketing rights, supply of crude oil, technology or other services essential for the implementation of the Project or its operations including terms of funding or if requisite funds cannot be raised for the implementation of the Project, then either party may terminate the Joint Venture Agreement and take steps to wind up our Company.
- Each party shall have the liberty to terminate the Joint Venture Agreement at any time in the event the business of either of the party is wound up or an order for winding up is passed or if any of the parties fail to comply with the obligations under the terms of the Joint Venture Agreement and such party fails to redress such breach within 60 days thereafter..
- In the event a party's shareholding in our Company voluntarily falls below 10% of the issued and outstanding share capital, all rights of such party under the Joint Venture Agreement shall cease and the other party may terminate the agreement.

Governing Law and Jurisdiction:

The Joint Venture Agreement shall be governed by the laws of India and all disputes and differences arising under the agreement shall be exclusively and conclusively settled by arbitration under the Rules of Arbitration of the UNCITRAL Rules by reference to two arbitrators. OOCL shall appoint one arbitrator, BPCL and/or the Government of India shall appoint the second arbitrator and the arbitrators so appointed shall appoint an umpire.

Supplemental Agreement

BPCL and OOCL have entered into a supplemental agreement on September 9, 2004 (the "**Supplemental Agreement**"), amending the Joint Venture Agreement.

The principal terms of the Supplemental Agreement are as follows:

- OOCL shall not contribute any further share capital money apart from its initial investment of Rs. 755,000,000. However, BPCL will continue contributing additional capital from time to time.
- The investment pattern in our Company shall be modified, with OOCL's equity shareholding being approximately 3% of the revised equity share capital in our Company while BPCL's equity shareholding may increase up to 50% of the revised equity share capital.
- The right to appoint one non-retiring director will remain with OOCL only until its equity shareholding continues to be above 10%.

The parties agreed that the Joint Venture Agreement shall continue to be in force other than to the extent of changes made pursuant to the Supplemental Agreement and that the Supplemental Agreement will cease to operate on termination of the Joint Venture Agreement.

On January 15, 2008, BPCL and OOCL entered into a second Supplemental Agreement, pursuant to which Clause 4.10 (i) (iii) of the Joint Venture Agreement was deleted which stipulated that in the event of a transfer of shareholding to an affiliate, the transferring shareholder would be responsible as a guarantor for the compliance of the obligations under the Joint Venture Agreement and the Supplemental Agreement by such affiliate. The second Supplemental Agreement states that OOCL

intends to transfer its entire shareholding in our Company to an affiliate, Oman SAOC, but would not remain responsible as a guarantor as contemplated under clause 4.10 (i) (iii) of the Joint Venture Agreement.

Transfer Agreement

Pursuant to the Second Supplemental Agreement, BPCL, OOCL and Oman SAOC entered into a transfer agreement on February 2, 2008 (the “**Transfer Agreement**”) whereby OOCL sold its entire shareholding in our Company comprising of 75,500,000 Equity Shares, to Oman SAOC.

The principal terms of the Transfer Agreement are as follows:

- a) All the rights, benefits, obligations and liabilities accruing to OOCL under the Joint Venture Agreement, the Supplemental Agreement and any other agreement entered into between BPCL and OOCL be assigned and transferred to Oman SAOC;
- b) Both BPCL and Oman SAOC shall have no recourse to or against OOCL in respect of any obligations and liabilities continuing under the Joint Venture Agreement.
- c) Further, the following rights or conditions were waived by BPCL:
 - Requirement for OOCL to guarantee compliance by Oman SAOC, as OOCL’s affiliate, of the obligations under the Joint Venture Agreement;
 - The requirement of executing a transfer agreement in the form as set out in the annexure to the Joint Venture Agreement and from furnishing names of the permitted assigns;
 - BPCL’s right to preempt any sale or transfer of Equity Shares, under the Articles of Association by OOCL to Oman SAOC.
 - The requirement for OOCL to provide a 30 days written notice of a transfer to an affiliate under the Joint Venture Agreement.

Memorandum of Understanding with the GoMP

Our Company entered into a Memorandum of Understanding dated May 6, 2005 (the “**GoMP MoU**”) with the GoMP whereby the GoMP will provide the following benefits to our Company:

- a) exemption from charge, levy and payment of
 - Central Sales Tax (“**CST**”) on sale of products of the Refinery outside Madhya Pradesh for a period of 15 years from date of commercial production at the Refinery. The maximum amount of exemption of CST will be limited to an overall cap of the project cost on the date of commercial production as specified in the GoMP MoU, less the amount of commercial tax deferred;
 - Entry tax on crude oil required by the Refinery, sourced from outside the State of Madhya Pradesh for a period of 15 years from date of commercial production at the Refinery;
 - Entry tax on material, machinery and equipment required in the Project, up to March 31, 2009; and
 - Works Contracts Tax or Sales Tax on transfer of goods under works contract in connection with the Project, up to March 31, 2009,
- b) Reduction on stamp duty and registration charges payable on the mortgage deed for the loan; and
- c) Deferment of deposit of commercial tax collected by our Company in the State of Madhya Pradesh for 15 years from the date of first sale, subject to a maximum of Rs. 37,500,000,000 (together, the “**Financial Assistance**”).

The terms and conditions of the GoMP MoU are:

- a) the total cost of the Project, for the purpose of capping the exemption on CST and deferment of commercial tax, shall be Rs. 75,000,000,000;

- b) the deferment of commercial tax under the terms of Financial Assistance shall not carry any interest for a period of 15 years from the date of commercial production and shall be payable in the 16th year from the commencement of commercial production and subsequent commercial tax shall be payable by our Company after 15 years from each year in which such Financial Assistance was availed;
- c) subsequent to the 15 year period, such Financial Assistance will carry interest at the rate that would have been payable by the nominated entity of the GoMP on the bonds issued by them in the manner specified in the GoMP MoU;
- d) in order to meet the shortfall due to the Financial Assistance provided to us, the GoMP may, at their sole discretion, issue bonds in the market in the name of the nominated entity on the following terms:
 - The aggregate value of the bonds would not be more than the value of the Financial Assistance in form of deferment of commercial tax availed by our Company.
 - Issuance of the bonds i.e. one series per year would take place between close of the year and three months thereafter in which the Financial Assistance was availed by our Company;
 - The bonds will carry interest not exceeding G-Sec rate plus 1% of the face value of the bonds, payable half yearly. However, the issuing entity of such bonds can decide to pay higher rate of interest.
 - Each series will be redeemed on expiry of 15 years from the date of issue of the respective series or prior thereto and will be guaranteed by nominated entity for the principal amount and the interest;
 - Our Company shall, in turn, provide a guarantee to the nominated entity of the GoMP for the principal amount and also the interest payable by our Company from the 16th year onwards, after commencement of commercial operation;
 - Our Company shall reimburse half of the actual cost incurred for issuance of each such series of bonds.
- d) Our Company shall allot Equity Shares for an amount of Rs. 269,000,000 to GoMP at a price which will be not more than the price for which Equity Shares were issued to BPCL, in relation to the cost of land allotted to BPCL by the GoMP, which was subsequently transferred to our Company i.e at Rs. 10 per Equity Share;
- e) The GoMP has the first right of refusal on naphtha produced in the Refinery; and
- f) The GoMP shall have the right to nominate two Directors on the Board of our Company.

Additionally, under the GoMP MoU, we are obligated to:

- a) recruit persons domiciled in the state of Madhya Pradesh in certain categories to the extent of 60% of their entry-level positions in these categories;
- b) require our contractors to employ local unskilled labourers, including after we have commenced commercial production;
- c) guarantee the repayment of any funds that the Madhya Pradesh Audyogik Kendra Vikas Nigam borrows in respect of projects for developing an industrial area in Bina; and
- d) construct a hospital and a school for its employees.

Supplemental Memorandum of Understanding with the GoMP

A supplemental memorandum of understanding dated December 6, 2007 was entered into between the GoMP and our Company (the “**Supplemental GoMP MoU**”) to appropriately amend the benefits provided under the GoMP MOU, particularly in light of the change in the sales tax regime. Under the terms of the Supplemental GoMP MoU, our Company shall furnish a guarantee to the nominated

agency of the GoMP on the bonds for the principal amount and interest payable by our Company from the 16th year onwards after the commencement of commercial production of the Refinery until such time the Financial Assistance of that particular year is availed by our Company. The GoMP will provide a guarantee to the nominated agency of the GoMP towards the interest payable in the first 15 years from the commercial production of the Refinery.

Tax on Works Contract: The Supplemental GoMP MoU also provides that the Financial Assistance provided in the form of exemption of works contracts tax or sales tax shall be provided by way of our Company collecting and depositing with GoMP the tax on works contract for doing various job for the construction at the Refinery as per the provisions of Madhya Pradesh VAT Act, 2002, as amended and the GoMP, on receipt of the particulars of tax deducted, shall provide our Company with an equivalent amount within 3 days of submission of the abovementioned particulars.

Tax on sale of petroleum products: The Financial Assistance provided in the form of deferment of commercial tax shall be provided by way of our Company collecting and depositing with GoMP the value added tax (“VAT”) on sale of petroleum products as per the provisions of Madhya Pradesh VAT Act, 2002 and the GoMP, on receipt of the particulars of tax collected, shall provide our Company with an equivalent amount within 3 days of submission of the abovementioned particulars, subject to a maximum of Rs. 2,500,000,000 in a year calculated from the date of first sale, as a loan for a period of 15 years from the date of first sale.

Off-take Agreement

We entered into a product off take agreement with BPCL on March 21, 2007 (the “**Off-take Agreement**”). The important provisions of the Off-take Agreement are as follows:

The scope of the Off-take Agreement includes purchase by BPCL of various products, including LPG, naphtha, gasoline (Euro III and Euro IV equivalent), kerosene, aviation turbine fuel and diesel (Euro III and Euro IV equivalent), in agreed quantities and price from our Company. However, no agreed quantity has been prescribed for petroleum coke and sulphur products under the terms of the Off-take Agreement. Under the Off-take Agreement, the GoMP, has the first right of refusal for all naphtha produced by our Company, such a right being exercisable by GoMP once a year only. Further, BPCL shall have the obligation, on an annual basis, to off take remaining quantities of naphtha, if any, from our Company.

In the event that BPCL is unable to purchase the quantity of products for a particular period as per the Off-take Agreement, BPCL shall be liable to pay liquidated damages to our Company. Further, if BPCL fails to make payments for any product for 60 days from the due date, our Company may suspend all deliveries to BPCL till such time as the defaulted payments, with interest, shall have been paid.

In terms of the Off-take Agreement, the contract price shall be established for delivery to each and every depot, which will receive the products for BPCL. Further, the contract price would consist of the two components stated below

- **Basic price at the coastal port nearest to the depot:** This price will be in accordance with IPP/TPP or any other basis as per the prevailing industry practice;
- **Inland freight element:** Freight from the nearest coastal port to the depot would be based on pipeline freight concept as agreed between the oil marketing companies (as per the industry practise) less actual railway freight between the refinery and the depot.

The abovementioned formula shall be applicable for all the products other than naphtha, for which the contract price shall be mutually agreed upon from time to time provided that minimum EPP shall always be payable. If the parties are unable, at any time, to reach an agreement on the contract price for Naphtha, then the prevailing contract price shall continue until a new contract price has been agreed upon. The parties have further agreed that the contract price for additional quantities over and above the agreed upon quantities for a particular year (Buyers Annual Take or Pay Quantity (“**BATPQ**”)) shall be on EPP basis.

In terms of the Off-take Agreement, BPCL shall during the term of the agreement pay to our Company

such payments for the BATPQ, hereinafter referred to as the Buyer's Take or Pay Amount ("BTPA"). The BTPA, if any, shall be an amount which is the lesser of the following amounts:

- Payment based on gross refining margin (to be calculated as per the agreed pricing method) on the BTPA; or
- Payment for the BTPA worked out such that the debt servicing coverage ratio is being met;

Further, BPCL may request a discount equivalent to all or part of the BTPA, which we shall be obliged to grant subject to our minimum debt service coverage ratio being 1.30.

BPCL's take or pay Amount shall accrue on a yearly basis; however, based on a take or pay invoice raised by our Company, interim quarterly payments shall be made by BPCL towards such invoices. Interest shall be compounded quarterly on BTPA, in favour of BPCL, at the prevailing lending rate of our Company's lenders. Further, at the end of the contract year, BTPA shall be adjusted based on BPCL's annual reconciliation statement for payments to our Company.

BPCL shall be obligated to construct a Marketing Terminal and shall in a timely manner hand over the same to our Company pursuant to the lease agreement to be executed between BPCL and us on a nominal, mutually agreed lease rental. The lease agreement shall be co-terminus with the Off-take Agreement. Pursuant to an undertaking dated February 4, 2008, BPCL has confirmed that it shall bear the cost of the Marketing Terminal notwithstanding the provisions of the Off-take Agreement.

Also, if BPCL fails to off-take products or make payments or defaults in any other material obligation under the Off-take Agreement and such breach continues for a period of 180 days, our Company may terminate the Off-take Agreement in accordance with the manner specified therein.

In the event our Company fails to supply the required quantities of products to BPCL, we will be liable to pay liquidated damages to BPCL which shall be the lesser of the differential price between the price we would obtain from a third party purchaser and the contract price, and Rs. 600 per ton. If our Company fails to deliver the products for a continuous period of 180 days or defaults in any other material respect, BPCL may terminate the Off-take Agreement in accordance with the manner specified therein.

The Off-take Agreement shall be valid till March 31 of the fifteenth year from the actual date on which supply of the products under the agreement commence, which can be extended by the mutual consent of the parties by a period of 10 years.

Crude Sourcing and Services Agreement

We entered into a crude oil sourcing and services agreement with BPCL on December 10, 2007 (the "**Crude Sourcing and Services Agreement**"). The scope of the Crude Sourcing and Services Agreement covers the procurement of crude oil, transportation of crude oil and managing the risk associated with volatility in price of crude oil or transportation by BPCL for our Company.

As per the Crude Sourcing and Services Agreement, BPCL shall assist our Company in procurement of crude oil necessary for our requirements on the basis of a yearly plan whereby by October 30 our Company shall provide BPCL with the crude oil requirements for the next year and BPCL, in consultation with our Company, arrange for the same. Any balance requirements of our Company shall be met through monthly sourcing by BPCL as per the terms of the Crude Sourcing and Services Agreement.

Under the terms of the Crude Sourcing and Services Agreement, the insurance for crude oil cargos will be taken by the bill of lading holder. BPCL will also manage the hedging of prices of crude oil and other products, in consultation with our Company.

For the services provided by BPCL under the Crude Sourcing and Services Agreement, our Company shall be required to pay, in addition to all costs incurred by BPCL with respect to cost of crude oil, transportation, port charges etc, canalizing commission at the rate of 0.03% of the cost of crude and freight as payment for the products and, as payment for risk management, 25 cents per barrel or US \$ 1.85 per MT of the volume hedged. Further, all charges in respect of our Company's portion incurred

by BPCL will be reimbursed to BPCL within 10 days and our Company shall keep BPCL indemnified for any liability occurring as a result of any transaction undertaken by BPCL on behalf of our Company.

In the event of default in payment by either party, default interest at the rate of State Bank of India PLR shall be payable on the outstanding amount for each day of such default.

The Crude Sourcing and Services Agreement shall be valid shall be valid for a period of 15 years from the date of signing i.e. December 10, 2007 but may be terminated by either party by giving the other party a 12 months' notice or, in the event of default of payment or default in respect of other obligations under the Crude Sourcing and Services Agreement, a 60 days' notice.

Project Management Consultancy Services Agreement

We entered into a Project Management Consultancy Services Agreement with Engineers India Limited ("EIL") on March 8, 2006 ("the **Service Agreement**"), which came into force on December 31, 2005. The scope of the Service Agreement includes EIL providing project management consultancy and engineering, procurement and construction management services in respect of the facilities to be utilized under the Project, including infrastructure facilities, refinery process units, utility and offsite facilities and crude import, handling and transfer facilities. Our Company has a right to request EIL to make any changes or modifications to the abovementioned scope of services of EIL which may result in change in the price and time schedule.

As per the Service Agreement, our Company shall maintain insurance covers for all imported and indigenous equipment, machinery, storage, erection and third party liabilities while EIL shall be required to maintain insurance in the nature of workman's compensation for its employees, insurance against fire, theft, damage and loss of property, group personnel accident insurance for its employees etc.

Under the terms of the Service Agreement, the parties may suspend the services provided under the agreement with a 14 (fourteen) day notice to the other party and EIL shall be compensated for the period of such suspension. Further, our Company may terminate the Service Agreement by giving a one month notice to EIL and reimburse EIL for any additional expenses incurred in winding up of services.

Memorandum of Understanding with respect to the Crude Oil Pipeline

We had entered into a Memorandum of Understanding (the "**MoU**") with BPCL on November 29, 2007 for utilising BPCL's services in relation to laying down of the Crude Oil Pipeline from SPM at Vadinar to the Refinery. As per the terms of the MoU, BPCL shall assist and advise our Company in relation to the same, *inter alia*, including:

- Providing basic engineering support for execution of the pipeline;
- Scrutinizing and following up on the proposals of awards/negotiations forwarded by EIL the project management consultant for all open and limited orders up to Rs. 80,000,000 and single tender orders up to Rs. 10,000,000;
- Supervising the construction activities of the pipeline at the sites and negotiating with vendors for timely deliveries;
- Appointment of a competent authority; and
- Facilitating the opening of ROUs.

As per the terms of the MoU, our Company shall handle all the litigation existing as on the date of the MoU and BPCL shall handle any new litigation in relation to the project which arises during the implementation of the project until the completion of the Crude Oil Pipeline. Further, BPCL shall handle all labour law related litigation until the commissioning of the Crude Oil Pipeline and our Company shall handle such litigation subsequent to commissioning. However, our Company shall bear the financial obligations in both cases.

In terms of the MoU, BPCL shall not be responsible for any failure or delay in performance of duty on account of war, riots or any force majeure. Further, we are required to pay as fees and remuneration to

BPCL, 50% of the expenses on account of salaries and perquisites for the core members and 100% of the expenses of the site staff.

The MoU may be terminated by either party by giving the other party a 3 (three) month notice.

OUR MANAGEMENT

Board of Directors

Under our Articles of Association, our Company is required to have not less than three Directors and not more than twelve Directors. Our Company currently has ten Directors on the Board.

Name, Father's Name, Address, Designation, Occupation and Nationality	DIN	Age	Other Directorships
Mr. Ashok Sinha <i>Father's Name</i> Late Mr. Upendra Narain Sinha <i>Residential Address</i> Flat No.33, 1-A, Altamount Road, Mumbai – 400 026, India. Chairman Non Executive Director Non Independent Director <i>Occupation:</i> Business Executive <i>Nationality:</i> Indian	00070477	55	1. BPCL; 2. Numaligarh Refinery Limited; 3. Bharat Shell Limited; 4. Petronet LNG Limited; and 5. Bharat PetroResources Limited.
Mr. Ramesh Prasad Singh <i>Father's Name</i> Late Mr. Swaminath Singh <i>Residential Address</i> Bungalow No.4, BPCL Staff Colony, Aziz Baug, Chembur, Mumbai – 400 074, India. Managing Director Executive Director Non Independent Director <i>Occupation:</i> Business Executive <i>Nationality:</i> Indian	00292017	59	NIL
Mr. Sudhir K. Joshi <i>Father's Name</i> Mr. Krishnaji Shankar Joshi <i>Residential Address</i> 10, Narendra Bhavan, 51, Bhulabhai Desai Road, Mumbai – 400 026, India. Non Executive Director Non Independent Director <i>Occupation:</i> Business Executive	00066366	56	1. BPCL; 2. Numaligarh Refinery Limited; 3. Petronet CI Limited; 4. Bharat PetroResources Limited; 5. VI eTrans Private Limited; and 6. Bharat Stars Services Private Limited.

Name, Father's Name, Address, Designation, Occupation and Nationality	DIN	Age	Other Directorships
<i>Nationality:</i> Indian			
Mr. Raj Kishore Singh	00071024	54	1. BPCL; 2. Numaligarh Refinery Limited; and 3. Bharat PetroResources Limited.
<i>Father's Name</i> Mr. Ram Dhari Singh			
<i>Residential Address</i> Bungalow No.1, BPCL Staff Colony Aziz Baug, Chembur, Mumbai – 400 074, India.			
Non Executive Director Non Independent Director			
<i>Occupation:</i> Business Executive			
<i>Nationality:</i> Indian			
Mr. Chandan Kumar Sengupta	00052880	60	NIL
<i>Father's Name</i> Mr. Dharni Mohan Sengupta			
<i>Residential Address</i> Flat No. 151, Vigyapan Lok Apartment, Mayur Vihar, Phase-I, New Delhi- 110 091, India.			
Non Executive Director Independent Director			
<i>Occupation:</i> Professional			
<i>Nationality:</i> Indian			
Mr. Venugopal Venkatesh	01949079 (provisional)	56	Qingdao Lidong Chemical Co., China
<i>Father's Name</i> Mr. Krishnaswamy Venugopal			
<i>Residential Address</i> Oman Oil Co, PB 261, Muscat 118 Oman.			
Non Executive Director Non-Independent Director			
<i>Occupation:</i> Business Executive			
<i>Nationality:</i> Indian			
Mr. A. H. Kalro	00021408	65	1. BPCL; 2. ICFAI University; 3. NMIMS University.
<i>Father's Name</i> Late Mr. Harichand C. Kalro			
<i>Residential Address</i> K-62, Satellite Park, New Prabhu Park Co-operative Housing			

Name, Father's Name, Address, Designation, Occupation and Nationality	DIN	Age	Other Directorships
Society Limited, Near Jodhpur Char Rasta, Satellite Road, Ahmedabad- 380 015, India. Non Executive Director Independent Director <i>Occupation:</i> Retired Professor <i>Nationality:</i> Indian			
Mr. A.K. Mathur	00119560	61	Tata Projects Limited.
<i>Father's Name</i> Late Dr. Madan Gopal <i>Residential Address</i> 4202, Sector D/4, Vasant Kunj, New Delhi- 110070, India. Non Executive Director Independent Director <i>Occupation:</i> Business Executive <i>Nationality:</i> Indian			
Mr. U. Sundararajan	00001533	65	1. Shipping Corporation of India Limited; 2. Gujarat State Petronet Limited; 3. Thirumalai Chemicals Limited; 4. Ennore Port Limited; 5. IDFC Trustee Company Limited; and 6. Standard Chartered Trustee Company Limited.
<i>Father's Name</i> Late Mr. Uppiliappan <i>Residential Address</i> 1302, 13 th Floor, Whispering Palms, Building No.3, Lokhandwala Township, Akurli Road, Kandivali (E), Mumbai- 400 101, India. Non Executive Director Independent Director <i>Occupation:</i> Business Executive <i>Nationality:</i> Indian			
Mr. R. Kannan	00380328	61	1. Gem Spinners (I) Limited; 2. Jeypore Sugar Co. Limited; 3. Dharamsi Morarji Chemical Co. Limited; 4. Prize Petroleum Company Limited; 5. Tamil Nadu Urban Infrastructure Trustee Company Limited; 6. ITCOT Consultancy & Services Limited; and 7. Supreme Petrochem Limited.
<i>Father's Name</i> Mr. K. Ramanathan <i>Residential Address</i> No. 21, Parthasarathypuram, North Usman Road, T. Nagar, Chennai- 600 017, India. Non Executive Director Independent Director <i>Occupation:</i> Business Executive			

Name, Father's Name, Address, Designation, Occupation and Nationality	DIN	Age	Other Directorships
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Nationality: Indian

Brief Biographies of our Directors

- 1) **Mr. Ashok Sinha**, 55 years, is the Chairman of our Company. He was appointed as a Director of our Company on April 4, 1995. He holds a bachelor's degree in electrical engineering from the Indian Institute of Technology, Kanpur and a master's degree in business administration from the Indian Institute of Management, Bangalore, with specialization in finance. Mr. Sinha has approximately 30 years of experience in various aspects of the oil and refinery business, ranging from management accounting, treasury, refinery finance and payroll to information technology, planning, corporate affairs and retail marketing. He has been with BPCL since August 1977. Prior to joining BPCL he was with International Computers Private Limited from October 1973 to July 1975. Mr. Sinha is also the chairman and executive director of BPCL.
- 2) **Mr. Ramesh Prasad Singh**, 59 years, is the Managing Director of our Company. He was appointed as a Director of our Company on January 31, 2006. He holds a bachelor's degree in mechanical engineering from the National Institute of Technology, Allahabad and a master's degree in business administration from the Jamnalal Bajaj Institute of Management, Mumbai. Mr. Singh has approximately 36 years of experience in the oil industry. He joined BPCL in 1982 and has worked in various projects, relating to materials and maintenance and was also previously incharge of the overall refinery operation in BPCL.
- 3) **Mr. S. K. Joshi**, 56 years, is a non-executive Director of our Company. He was appointed as a Director of our Company on July 26, 2006. He holds a master's degree in business administration from the University of Hull, United Kingdom. He is also a member of the ICAI. Mr. Joshi has approximately 30 years of experience in the oil industry. He joined BPCL in February 1978 where he was heading the corporate treasury function as executive director, and was responsible for the overall fund management, risk management, corporate accounts and budgeting in BPCL. He was also closely associated with key initiatives undertaken by BPCL, including implementation of an enterprise wide resource solution and drawing up of the corporate credit policy and commodity risk management policy. Mr. Joshi is also a member of the board of directors of BPCL.
- 4) **Mr. R.K. Singh**, 54 years, is a non-executive Director of our Company. He was appointed as a Director of our Company on July 26, 2006. He holds a bachelor's degree in mechanical engineering from Banaras Hindu University. Mr. Singh has approximately 30 years of experience in the oil industry. He joined BPCL in 1978 and held various positions, both in the refinery and marketing divisions. He also headed a group in BPCL constituted for transfer of technology of LPG equipment from Denmark/Italy and was closely associated with the World LPG Association as an active member of their sub-committees. Mr. Singh is also a member of the board of directors of BPCL.
- 5) **Mr. C.K. Sengupta**, 60 years, is a non-executive and independent Director of our Company. He was appointed as a Director of our Company on September 26, 2007. He holds a bachelor's degree in commerce from the University of Calcutta and is also a member of the ICWAI. Mr. Sengupta has approximately 32 years of experience in the petroleum sector. He joined BPCL in 1981 and was involved specifically in internal audit, management accounts, treasury, oil pricing, risk management and international trade. Mr. Sengupta is presently the advisor to the Rajiv Gandhi Institute of Petroleum Technology at Raibareli.
- 6) **Mr. Venugopal Venkatesh**, 56 years, is a non-executive Director of our Company, appointed by OOCL. He was appointed as a Director of our Company on October 25, 2007. He holds a bachelor's degree in science from the University of Madras. He is also a chartered accountant

and a graduate member of ICSI. He has approximately 33 years of experience in handling various functions such as group accounting, group reporting, merger and acquisition, strategic planning. He also worked with Ernst and Young for 2 year and also served with Zubair Enterprises LLC for 24 years.

- 7) **Mr. A.H. Kalro**, 65 years, is an independent Director of our Company. He was appointed as a Director of our Company on January 18, 2008. He holds a bachelors' degree in electrical engineering from the Indian Institute of Technology, Kharagpur and masters' and doctoral degrees in industrial engineering from the University of Minnesota, Minneapolis. Mr. Kalro has approximately 40 years of teaching experience in various management institutes in India and abroad. He also has extensive consulting experience in private and public organizations, state and central government and international agencies. He is a fellow and former president of the operations research society of the Government of India and has been a member of several specially constituted committees such as administrative reforms committee. Mr. Kalro is also on the board of BPCL.
- 8) **Mr. A.K. Mathur**, 61 years, is an independent Director of our Company. He was appointed as a Director of our Company on January 18, 2008. He holds a bachelors' degree in mechanical engineering from the National Institute of Technology, Durgapur. Mr. Mathur has approximately 40 years of experience in various aspects of the energy sector, ranging from production, product management and construction of power projects. His prior work experience includes serving with Bharat Heavy Electrical Limited as director (IS&P).
- 9) **Mr. U. Sundararajan**, 65 years, is an independent Director of our Company. He was appointed as a Director of our Company on January 18, 2008. He holds membership of the ICWAI. Mr. Sundararajan has approximately 40 years of experience in various aspects of oil and refinery business such as management accounting, project account and restructuring the business in strategic business units. He joined BPCL in 1981 and worked in various capacities including as managing director. He was also the convener of the study group for developing a comprehensive long term perspective plan for hydrocarbon sector in India for meeting the challenges that will emerge by 2010 and also a member of oil price review committee.
- 10) **Mr. R. Kannan**, 61 years, is an independent Director of our Company. He was appointed as a Director of our Company on February 5, 2008. He is a postgraduate in chemical engineering from the Indian Institute of Technology, Mumbai and a chartered financial analyst from the Institute of Chartered Financial Analysis of India. Mr. Kannan has approximately 35 years of experience in the field of structured financial products, oil, gas and infrastructure financing and technology. His prior work experience includes serving with ICICI Bank as the general manager.

Borrowing powers of the Board

Subject to the provisions of the Companies Act, the borrowing powers of our Board are up to such sums as it may deem fit, in its discretion, provided however where the money to be borrowed, together with monies already borrowed by our Company (apart from the temporary loans obtained from our bankers in the ordinary course of business), exceeds, at any time, the aggregate of the paid up share capital of our Company and its free reserves, our Board shall not borrow or raise such monies without the consent of the shareholders of our Company in EGM.

Corporate Governance

The provisions of the listing agreements to be entered into with the Stock Exchanges will be applicable to our Company at the time of seeking in-principle approval of the Stock Exchanges. Our Company has complied with the corporate governance code in accordance with Clause 49 of the listing agreement (as applicable), including in relation to appointment of independent Directors to our Board and constitution of the audit committee, investor grievance committee and remuneration committee. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Clause 49 of the listing agreement to be entered into with the Stock Exchanges.

Currently our Board has 10 Directors, of which the Chairman is a non-executive and non-independent

Director, and in compliance with the requirements of Clause 49 of the listing agreement, our Company has one executive Director and nine non-executive Directors on its Board, of whom five are independent Directors.

We have constituted the following committees of our Board of Directors for compliance with corporate governance requirements:

- a. Audit Committee;
- b. Investor Grievance Committee;
- c. Remuneration Committee; and
- d. IPO Committee.

- a. *Audit Committee*

Members

Name of Director	Designation
Mr. A.H. Kalro	Chairman
Mr. A.K. Mathur	Member
Mr. C.K. Sengupta	Member
Mr. U. Sundararajan	Member

Scope and Terms of Reference

The Audit Committee would perform the following functions with regard to accounts and financial management:

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board of Directors, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to the Board of Directors for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board of Directors' report in terms of clause (2AA) of Section 217 of the Companies Act, 1956;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of

the internal control systems;

7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
8. Discussion with internal auditors any significant findings and follow up there on;
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
12. To review the functioning of the whistle blower mechanism, in case the same is existing;
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
14. Reviewing the reports related to utilization of funds raised through this Issue.

b. Remuneration Committee.

Members

Name of Director	Designation
Mr. A.K. Mathur	Chairman
Mr. A.H. Kalro	Member
Mr. U. Sundararajan	Member

Scope and Terms of Reference

1. To determine our Company's policy on specific remuneration packages including pension rights and other compensation for executive directors and other senior employees of our Company equivalent to or higher than the rank of vice president.
2. Jurisdiction over the matters as listed below:
 - a. To fix and finalise remuneration including salary, perquisites, benefits, bonuses, allowances, etc.;
 - b. Fixed and performance linked incentives along with the performance criteria;
 - c. Increments and Promotions;
 - d. Service Contracts, notice period, severance fees; and
 - e. Ex-gratia payments.

c. Investors Grievance Committee

Members

Name of Director	Designation
Mr. U. Sundararajan	Chairman
Mr. S.K. Joshi	Member

Mr. C.K. Sengupta	Member
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Scope and Terms of Reference

The committee shall specifically look into the redressal of all shareholder and investor complaints and shall have powers to seek all information from, and inspect all records of our Company relating to shareholder and investor complaints. The terms of reference for the Investor Grievance Committee shall be:

1. to review the services rendered by the Company to the shareholders including periodic communications sent to the shareholders.
2. to analyse the complaints and grievances of the shareholders received either directly or through the regulatory authorities such as SEBI, the RoC and the Stock Exchanges; and for this purpose, inspect the records of the Company, if necessary.
3. to review grievance redressal mechanism and to suggest improvements; and
4. to guide the Compliance Officer with regard to the actions to be initiated for redressal of pending grievances of the shareholders.

IPO Committee

Members

Name of Director	Designation
Mr. R.P. Singh	Chairman
Mr. S.K. Joshi	Member
Mr. C.K. Sengupta	Member
Mr. U. Sundararajan	Member

Scope and Terms of Reference

The committee shall take all decisions relating to the Issue, including:

1. the appointment of various intermediaries and other advisors for the Issue;
2. to prepare and finalise, along with the BRLMs, the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus;
3. do all requisite filings with SEBI, the Stock Exchanges and any other concerned authority;
4. to execute all documents and contracts for the Issue;
5. to determine and finalise the Price Band for the Issue, approve the basis for allocation and confirm allocation of the Equity Shares to various categories of persons as disclosed in the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, in consultation with the BRLMs; and
6. do all such acts and things as may be necessary and expedient for, and incidental and ancillary to, the Issue.

Shareholding of Directors in our Company

Except for Mr. R.P. Singh and Mr. S.K. Joshi, who hold 100 Equity Shares each, jointly with BPCL, none of our Directors holds any Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

Interests of Directors

Our Directors are interested in our Company to the extent of Equity Shares held by them or any entities controlled by them and/or by their friends and relatives or which may be subscribed by them and /or allotted to them by our Company.

Our Directors are also interested to the extent of remuneration payable, if any, to them and fees, if any, payable to them for attending meetings of the Board or committee thereof and reimbursement of traveling and other incidental expenses, for attendance at meetings.

Our Directors are not interested in the appointment of or acting as Underwriters, Registrar and Bankers to the Issue or any such intermediary registered with SEBI.

Remuneration of our Directors

Mr. Ramesh Prasad Singh

Mr. Ramesh Prasad Singh joined our Board on January 31, 2006. The remuneration payable to him, with effect from January 31, 2006, has been approved pursuant to the resolution of our shareholders dated July 26, 2006 and is as per letter no. CA.JVC.BORL dated September 28, 2005. The remuneration payable to him in Fiscal 2007 was Rs. 1,063,251.00. The remuneration payable to him during the period from April 2007 to February 2008 was Rs. 1,073,760.00 the details of which are set forth below include the following:

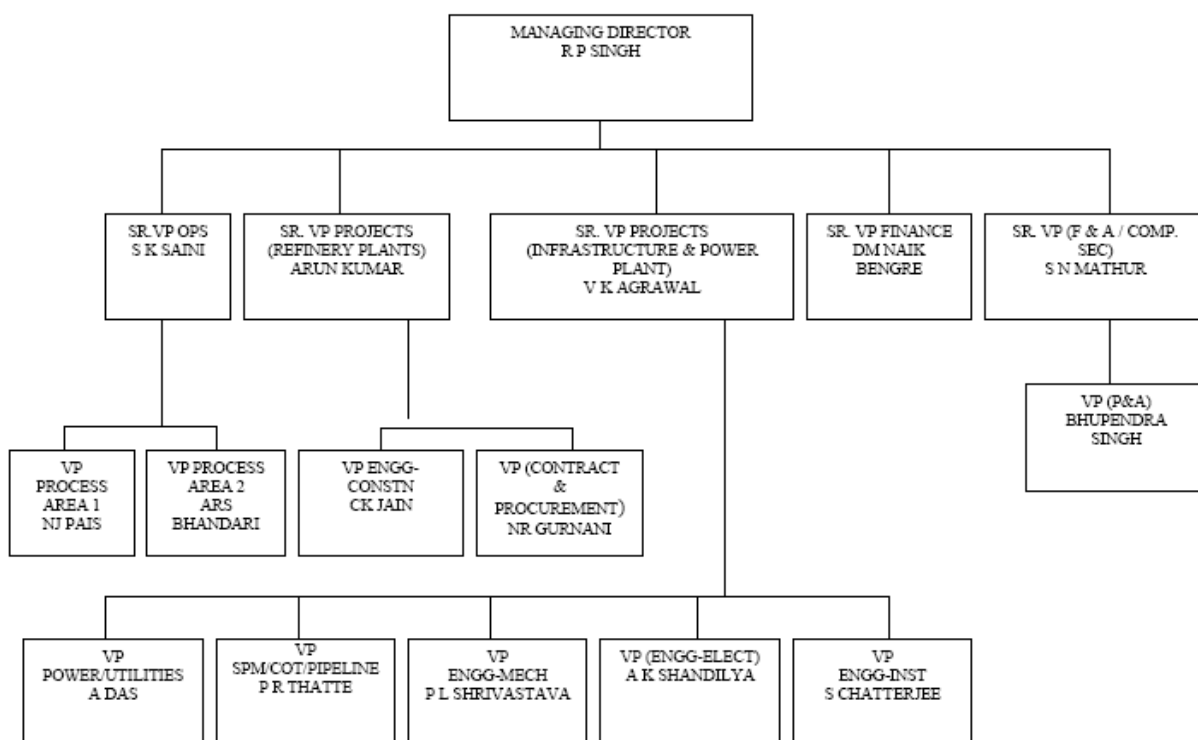
Particulars	Remuneration (in Rupees)
Salary and Perquisites	988,626.00
PF contribution and other payment	85,134.00

Pursuant to the resolution of our Board dated July 30, 2007, the non-executive Directors of our Company are entitled to a sitting fee of Rs. 20,000 per meeting as per Rule 10-B of Companies (Central Government's) General Rules and Forms, 1956, as amended from time to time.

Changes in Our Board of Directors during the last three years

Name	Date of Appointment	Date of Cessation	Reason
Mr. R. Kannan	February 5, 2008	-	Appointment
Mr. A.H. Kalro	January 18, 2008	-	Appointment
Mr. A.K. Mathur	January 18, 2008	-	Appointment
Mr. U. Sundararajan	January 18, 2008	-	Appointment
Mr. Venugopal Venkatesh	October 25, 2007	-	Appointment
Mr. C.K. Sengupta	September 26, 2007	-	Appointment
Ms. Shamsa Al-Lamki	May 7, 2004	September 23, 2007	Resignation
Mr. S.K. Joshi	July 26, 2006	-	Appointment
Mr. R.K. Singh	July 26, 2006	-	Appointment
Mr. R.P. Singh	January 31, 2006	-	Appointment
Ms. Sarishti Rai Sarin	December 26, 2005	December 31, 2006	Resignation
Mr. V.V. Ramamurthy	May 4, 2005	August 31, 2006	Resignation
Mr. R.P. Singh	October 10, 2005	January 31, 2006	Resignation
Mr. Mukesh Rohtagi	February 28, 2003	September 30, 2005	Resignation
Mr. C.K. Sengupta	October 10, 2005	August 31, 2007	Resignation
Mr. Joginder Bir Singh Hazooria	June 1, 2004	May 25, 2006	Expired

Managerial Organizational Structure



Our Key Managerial Personnel

The details of our key managerial employees, as of the date of this Draft Red Herring Prospectus, are as follows:

1. **Mr. S. N. Mathur**, 58 years, is the Senior Vice President of Finance and Administration and is also the Company Secretary of our Company. He joined our Company in April 1994 on deputation from BPCL. He is responsible for all financial matters of our Company including budgeting, funds management, banking, accounting, taxation and audit. He also works as a Company Secretary and is responsible for Corporate Affairs and Board related matters. Mr. Mathur is a member of the ICAI and ICSI. He has approximately 37 years of experience in the fields of corporate affairs in large oil and gas projects and operating companies, such as BPCL and Engineering Projects (India) Limited. His prior work experience includes serving with Army Welfare Housing Organisation as deputy director of finance from January 1984 to May 1984. The remuneration paid to him for the eleven month period ended February 29, 2008 was Rs. 1,556,703.
2. **Mr. S. K. Saini**, 58 years, is the Senior Vice President of Operations of our Company. He joined our Company on October 7, 1996. He is responsible for overseeing process design, technology transfer, organizational safety, environmental protection and training in our Company. Mr. Saini holds a degree in chemical engineering from the Indian Institute of Technology, Delhi. He has approximately 36 years of experience in the field of manufacturing and technical services projects pertaining to commissioning and operating of a refinery process plant. His prior work experience includes serving as the process head of Umm-al Nar Refinery of Abu Dhabi National Oil Company, Abu Dhabi from October 1989 to October 1996. The remuneration paid to him for the eleven month period ended February 29, 2008 was Rs. 1,324,822.
3. **Mr. Arun Kumar**, 56 years, is the Senior Vice President of Projects (Refinery Plants) of our

Company. He joined our Company in September 2006 on deputation from BPCL. He is responsible for project implementation, monitoring and control the construction of all process plants. He holds a bachelor's degree in mechanical engineering from the National Institute of Technology, Rourkela and a diploma in management studies from Mumbai University. He has approximately 35 years of experience in the engineering and project management in large oil and gas refining industries such as Engineers India Limited, BPCL and Numaligarh Refineries Limited. His areas of expertise are project planning implementation and contract management. His prior work experience includes serving with Numaligarh Refinery Limited, Assam from June 2003 to August 2006 where he was responsible for the implementation of a gasoline quality up-gradation projects. The remuneration paid to him for the eleven month period ended February 29, 2008 was Rs. 1,383,271.

4. **Mr. V. K. Agrawal**, 57 years, is the Senior Vice President of Projects (Infrastructure and Power Plants) of our Company. He joined our Company in November 2006 on deputation from BPCL. He is the head of the project for the implementation of captive power plant, electrical distribution system, instrumentation and digital control system at the Refinery, besides managing our COT and SPM facilities at Vadinar. He holds a bachelor's degree in electrical engineering from Maulana Azad National Institute of Technology, Bhopal and a diploma in computer management from K J Somaiyya College, Mumbai. He has approximately 35 years of experience in fertilizers and oil and gas refining industry. His prior work experience includes serving as the head of projects at BPCL's refinery at Mumbai from January 2002 to August 2005 where he was responsible for the successful completion of the refinery's modernization and capacity expansion project. The remuneration paid to him for the eleven month period ended February 29, 2008 was Rs. 1,600,800.
5. **Mr. D.M. Naik Bengre**, 52 years, is the Senior Vice President of Finance of our Company. He joined our Company in November 2006 on deputation from BPCL. He is responsible for project debt closures, procurement of mega project insurance policies, funds management, budget monitoring and implementing enterprise resource planning system in our Company. He holds a bachelor's degree in law from Mumbai University and a bachelor's degree in commerce from Karnataka University. He is also a member of ICWAI. He has approximately 23 years of experience in the oil and gas industry specifically pertaining to areas of finance, compliance management and corporate governance. His prior work experience includes serving as the Company Secretary to the Board of Directors of BPCL from April 1999 to November 2006. The remuneration paid to him for the eleven month period ended February 29, 2008 was Rs. 1,537,134.
6. **Mr. N. R. Gurnani**, 58 years, is the Vice President of Procurement and Contracts of our Company. He joined our Company in November 2000 on deputation from BPCL. He is responsible for contracts, project management, planning, evaluation of bids, providing final recommendations and awarding of contract. He holds a bachelor's degree in civil engineering from Maharaja Sayajirao University, Baroda. He has approximately 35 years of experience in project management, construction, contracts and purchase management. His prior work experience includes serving with Engineers' India Limited as project manager from February 1972 to June 1982. The remuneration paid to him for the eleven month period ended February 29, 2008 was Rs. 1,602,632.
7. **Mr. C. K. Jain**, 53 years, is the Vice President (Engineering and Construction) of our Company. He joined our Company in July 1995 on deputation from BPCL. He is responsible for site management and administration of the Refinery. He holds a bachelor's degree in civil technology and a master's degree in soil mechanics and foundation engineering from the Indian Institute of Technology, Kanpur. He has approximately 30 years of experience in construction and project management in the oil and gas industry. His prior work experience includes serving in various capacities with BPCL including as chief manager of administrative facilities from November 1994 to July 1995. The remuneration paid to him for the eleven month period ended February 29, 2008 was Rs. 1,448,229.
8. **Mr. Avijit Das**, 54 years, is the Vice President of Power and Utilities of our Company. He joined our Company in April 2006 on deputation from BPCL. He is responsible for the supervision and administration of the captive power plant situated at the Refinery. He holds a

post graduate diploma in environment and ecology from the Indian Institute of Ecology and Environment, Delhi. He is a chartered mechanical engineer and a certified boiler engineer. He has approximately 30 years of experience in fertilizer and oil industry. His prior work experience includes serving as the head of power and utilities at BPCL's refinery at Mumbai where he was in charge of implementing utilities systems from July 2002 to March 2006. The remuneration paid to him for the eleven month period ended February 29, 2008 was Rs. 1,429,433.

9. **Mr. P. L. Srivastava**, 58 years, is the Vice President (Engineering and Mechanical) of our Company. He joined our Company in February 2007 on deputation from BPCL. He is responsible for project engineering coordination for offsite units at Bina and COT at Vadinar. He holds a bachelor's degree in mechanical engineering from Motilal Nehru College of Engineering, Allahabad. He has approximately 22 years of experience in the oil and gas industry such as Engineers' India Limited and BPCL and his areas of expertise includes engineering, construction, maintenance and execution of project expansion plans at refinery plants. His prior work experience includes serving with BPCL as chief manager of engineering and construction at the Numaligarh Refinery Limited, Assam from June 1999 to January 2001. The remuneration paid to him for the eleven month period ended February 29, 2008 was Rs. 1,464,775.
10. **Mr. A. K. Shandilya**, 43 years, is the Vice President (Engineering and Electrical) of our Company. He joined our Company in February 22, 2007. He is responsible for the engineering, procurement, installation and commissioning of the electrical system at the Refinery. He holds a bachelor's degree in technology (electrical) from the National Institute of Technology, Calicut and also a master's degree in business administration from the Indira Gandhi National Open University. He is also a chartered engineer and a certified energy auditor. He has approximately 22 years of experience in the field of engineering, procurement, commissioning operation and maintenance of electrical systems and power generation in process industries. His prior work experience includes serving with National Fertilizers Limited, Guna as senior manager from July 2004 to February 2007. The remuneration paid to him for the eleven month period ended February 29, 2008 was Rs. 1,289,922.
11. **Mr. A. R. S. Bhandari**, 42 years, is the Vice President (Process) of our Company. He joined our Company on January 18, 2007. He is responsible for review and approval of the process and chemical engineering documents to facilitate construction of process plants as well as training chemical engineers for commissioning and smooth operations of such process plants. He holds a bachelor's degree of technology in chemical engineering from Birla Institute of Science and Technology. He has approximately 20 years of experience in the oil and gas refinery industry such as BPCL, Mangalore Refineries and Petrochemicals Limited and Numaligarh Refineries Limited. He specializes in refinery commissioning, operations, technical services and project management. His prior work experience includes serving with Numaligarh Refinery Limited, Assam as chief manager of technical services from April 2005 to January 2007. The remuneration paid to him for the eleven month period ended February 29, 2008 was Rs. 850,169.
12. **Mr. P. R. Thatte**, 45 years, is the Vice President of Crude Receipt Facilities of our Company. He joined our Company on June 4, 2007. He is responsible for overall supervision of construction of COT and single boy mooring facilities at the Refinery at Vadinar. He holds a bachelor's degree in mechanical engineering from Maharaj Sayajirao University, Baroda and PGDBM from the All India Management Association, New Delhi. He has approximately 22 years of experience in construction, operations and maintenance of cross country pipelines and associated facilities. His prior work experience includes serving with Indian Oil Corporation Limited as chief operations manager from April 2007 to June 2007. The remuneration paid to him for the period ended February 29, 2008 was Rs. 1,246,664.
13. **Mr. Bhupendra Singh**, 42 years, is the Vice President (Human Resources) of our Company. He joined our Company on September 28, 2007. He is responsible for human resource development in the Company including recruitment, performance management, training and development of employees. He holds PGDBM with specialization in human resources from Institute of Management Technology, Ghaziabad and bachelor in law degree from Jiyajee

University, Gwalior. He has been associated with fertilizers, gas and oil industry for the past 19 years and has varied experience in all human resources function and administration including strategic human resource function, talent acquisition, retention, industrial relations, staff welfare function disciplinary matters, estate and general administration matters. His prior work experience includes serving with Indraprastha Gas Limited as deputy general manager, HR from January 2006 to September 2007. The remuneration paid to him for the period ended February 29, 2008 was Rs. 653,469.

14. **Mr. S. Chatterjee**, 44 years, is the Vice President (Engineering Instrumentation) of our Company. He joined our Company on November 19, 2007. He is responsible for instrumentation and controls system of the Project. He holds a bachelor's degree in technology (instrumentation) from Kolkata University and PGDBM from Indira Gandhi National Open University, Delhi. He has approximately 19 years of experience in preventive routine and breakdown maintenance, spare planning, procurement, project implementation, up-gradation and modification and was recently involved in implementation of a city gas project. His prior work experience includes serving with Indraprastha Gas Limited as deputy general manager, instrumentation from June 2004 to November 2007. The remuneration paid to him for the period ended February 29, 2008 was Rs. 465,734.
15. **Mr. N. J. Pais**, 49 years, is the Vice President (Process) of our Company. He joined our Company on December 4, 2007. He is responsible for reviewing and approving the process and chemical engineering documents in order to facilitate construction of process plants. He holds a bachelor's degree of technology in chemical engineering from National Institute of Technology, Suratkal, Karnataka. Mr. Pais has approximately 25 years of experience in petroleum refining, petrochemicals both in India and abroad. His areas of expertise are design, operations, commissioning of refinery projects. His prior work experience includes serving with Saudi Arabian Basic Industries Corporation, Al-Jibel as head of projects department from February 2002 to August 2007. The remuneration paid to him for the period ended February 29, 2008 was Rs. 529,435.

Except for Mr. S.K. Saini, Mr. A. K. Shandilya, Mr. A. R. S. Bhandari, Mr. P. R. Thatte, Mr. Bhupendra Singh, Mr. S. Chatterjee, and Mr. N.J. Pais, who are the permanent employees of our Company, all our key managerial employees are on deputation from BPCL.

Shareholding of the Key Managerial Personnel

None of our key managerial personnel hold any Equity Shares.

Bonus or profit sharing plan of our Key Managerial Personnel

There is no bonus or profit sharing plan for any of our key managerial personnel.

Interest of Key Managerial Personnel

None of our key managerial personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Changes in our Key Managerial Personnel

Except as stated below, there has been no change in our key managerial personnel during the last three years

Name	Date of Appointment /Deputation	Date of Cessation	Reason
Mr. N.J. Pais	December 2007	-	Appointment
Mr. S. Chatterjee	November 2007	-	Appointment
Mr. Bhupendra Singh	September 2007	-	Appointment
Mr. P.R. Thatte	June 2007	-	Appointment
Mr. P.L. Srivastava	February 2007	-	Deputation

Name	Date of Appointment /Deputation	Date of Cessation	Reason
Mr. A.K. Shandilya	February 2007	-	Appointment
Mr. A.R.S. Bhandari	January 2007	-	Appointment
Mr. V.K. Agrawal	November 2006	-	Deputation
Mr. D.M. Naik Bengre	November 2006	-	Deputation
Mr. Arun Kumar	September 2006	-	Deputation
Mr. Avijit Das	April 2006	-	Deputation

Payment or benefit to our officers (non-salary related)

No amount or benefit has been paid or given to any officer of our Company within the two preceding years from the date of filing of this Prospectus or is intended to be paid, other than in the ordinary course of their employment. Except as stated in the section “Financial Statements” beginning on page 133, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors or Promoter of the Company.

Loans taken by Directors / Key Managerial Personnel

Our Directors and key managerial personnel have not taken any loan from our Company.

OUR PROMOTERS AND PROMOTER GROUP

Promoter

Bharat Petroleum Corporation Limited

BPCL, our Promoter, having its registered office at Bharat Bhavan, 4 and 6 Currimbhoy Road, Ballard Estate, Mumbai, Maharashtra- 400 001, India, is an integrated oil company in the downstream sector primarily engaged in refining of crude oil and marketing of petroleum products and has also diversified into undertaking production and marketing of petrochemical feedstock.

BPCL was originally incorporated as Bharat-Shell Refineries Limited (“**BSRL**”) on November 3, 1952, under the Companies Act of 1913, by Shell Petroleum Company Limited. BSRL had set up and commissioned a 2.2 MMTPA oil refinery at Mahul, Mumbai in January, 1955. Pursuant to an agreement dated December 23, 1975 between GoI, Shell Petroleum Company Limited and Burmah-Shell Oil Storage and Distributing Company of India Limited (“**BSOSDC**”), which was in the business of distributing and marketing of petroleum products in India, GoI acquired 100 percent equity stake in BSRL and acquired the right, title, interest and liabilities of BSOSDC. Further, in terms of the agreement, the GoI, through a legislative Act titled “Burmah Shell Acquisition of Undertakings in India Act, 1976”, acquired the right, title, interest and liabilities of BSOSDC and vested the same with BSRL.

The name of BSRL was changed to Bharat Refineries Limited on February 11, 1976 and subsequently to Bharat Petroleum Corporation Limited on July 28, 1977.

In 1992 and 1993, the GoI disinvested a total of 30% of the paid up share capital of BPCL in favour of financial institutions and mutual funds. Subsequently, in 1994, GoI further disinvested 3.79% of the paid up share capital of BPCL in favour of employees of BPCL and its holding in BPCL was reduced to 66.21%.

Further, the Ministry of Company Affairs passed an order dated August 18, 2006, for merging Kochi Refineries Limited (“**KRL**”) with BPCL. The merger was effective from August 21, 2006. In terms of the merger, the equity shareholders of KRL were allotted equity shares of BPCL in the ratio of four equity shares of BPCL for every nine equity shares held by them in KRL.

Shareholding pattern

The shares of BPCL are listed on the BSE and the NSE. The shareholding pattern of BPCL, as on February 29, 2008 is as follows:

Shareholder	Number of shares	% of issued capital
Govt. of India	198,600,060	54.93
Government of Kerala	3,111,111	0.86
Employees of BPCL	1,739,234	0.48
Unit Trust of India	1,132,233	0.31
Life Insurance Corporation of India	41,993,651	11.62
Other Financial Institutions, Banks and Mutual Funds	29,008,873	8.02
Foreign Institutional Investors, OCBs and NRIs	34,260,665	9.48
Corporate Bodies and Major Holders (holding more than 5,000 equity shares)	41,492,202	11.48
Public including Bodies Corporate (holding less than 5,000 equity shares)	10,204,095	2.82
	361,542,124	100.00

There has been no change in the capital structure of BPCL in the last six months prior to the filing of this Draft Red Herring Prospectus.

Board of Directors

As of the date of this Draft Red Herring Prospectus, the board of directors of BPCL comprises of:

1. Mr. Ashok Sinha;
2. Mr. S. A Narayan;
3. Mr. S Radhakrishnan;
4. Mr. S. K Joshi;
5. Mr. R. K Singh;
6. Mr. P. K Sinha;
7. Mr. V. D Gupta;
8. Mr. P. C Sen;
9. Prof. A. H Kalro;
10. Mr. P.H Kurian; and
11. Prof. N. Venketeswaran.

There has been no change in the management of BPCL in the last six months prior to the filing of this Draft Red Herring Prospectus.

Financial Performance

The audited financial results of BPCL for the Fiscals 2005, 2006 and 2007 are set forth below:

<i>(in Rs. million except for share data)</i>			
For the year ended March 31			
	2005	2006	2007
Total Revenues	589,700	770,359.24	975,602.21
Profit after Tax	9,658	2,916	18,055
Equity share capital	3,000	3,615	3,615
Reserves and Surplus (excluding revaluation reserves) ¹	60,884	87,779	99,120
Earnings/ (Loss) per share (diluted) (Rs.) ²	32.19	8.07	49.94
Book value per equity share (Rs.) ²	213	253	284

1. Net of miscellaneous expenditure not written off.

2. Face value of each equity share is Rs. 10.

BPCL has not become a sick company within the meaning of SICA nor is it subject to a winding up order or petition. It does not have a negative net worth.

Details of listing and highest and the lowest market price during the preceding six months:

The monthly high and low of the equity shares at BSE/NSE are as follows:

	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
February 2008	468.95	384.70	469.50	386.10
January 2008	541.40	360.45	542.30	359.40
December 2007	545.00	390.05	545.80	390.10
November 2007	470.00	335.00	465.00	333.30
October 2007	364.90	322.00	365.90	319.00
September 2007	392.80	321.10	399.00	322.40

Source: <http://www.bseindia.com> and <http://www.nseindia.com>

The equity share price of BPCL one day prior to filing this Draft Red Herring Prospectus, i.e. on March 26, 2008 was Rs. 409.80.

Mechanism for Disposal of Investor Grievance

A committee comprising of two whole-time directors has been set up to consider requests for transfer, transmission, dematerialization of shares etc. Further a committee comprising of two whole-time directors and two part-time (ex-officio) directors has been set up to consider requests for issue of share certificates. Transfers in physical form are registered only after ascertaining objections, if any from the transferors, and no valid transfer applications are kept pending beyond the stipulated period of 30 days. Requests for dematerialisation of shares are processed and confirmation is given to the respective depositories that is, NSDL and CDSL, within 15 days.

Further a separate investor's service centre has been set up by BPCL's share transfer agent, Data Software Research Company Private Limited, at BPCL's registered office at Mumbai specifically for Mumbai-based shareholders.

Promoter Group

S. No.	Name of the Promoter Group company	Relationship with the Promoter
1.	Indraprastha Gas Limited	The Promoter holds 22.50% of the equity share capital.
2.	Petronet LNG Limited	The Promoter holds 12.50% of the equity share capital.
3.	Bharat PetroResources Limited	The Promoter holds 99.88% of the equity share capital.
4.	Numaligarh Refinery Limited	The Promoter holds 61.65% of the equity share capital.
5.	Petronet India Limited	The Promoter holds 16.00% of the equity share capital.
6.	Petronet CCK Limited	The Promoter holds 49.00% of the equity share capital.
7.	VI eTrans Private Limited	The Promoter holds 33.30% of the equity share capital.
8.	Central UP Gas Limited	The Promoter holds 23.66% of the equity share capital.
9.	Maharashtra Natural Gas Limited	The Promoter holds 50.00 % of the equity share capital.
10.	Sabarmati Gas Limited	The Promoter holds 24.90% of the equity share capital.
11.	Bharat Stars Services Private Limited	The Promoter holds 50.00% of the equity share capital.

1. Indraprastha Gas Limited

Indraprastha Gas Limited ("IGL") was incorporated on December 23, 1998, under the Companies Act. Its registered office is situated at IGL Bhawan, Plot No. 4, Community Centre, R.K. Puram, Sector-9, New Delhi 110 022. IGL is engaged in the business of retail gas distribution business, supplying compressed natural gas to automotive sector and piped natural gas to domestic and commercial sectors in the National Capital Territory of Delhi.

Shareholding pattern

The equity shares of IGL are listed on the BSE and the NSE. The shareholding pattern of IGL as on February 29, 2008 is as follows:

Shareholder	Number of shares	% of issued capital
BPCL	31,500,080	22.50
GAIL India Limited	31,500,000	22.50
Mutual Funds	17,168,579	12.26
Financial Institutions	341,862	0.24
Central Government/State	7,000,000	5.00
Insurance Companies	6,658,759	4.76
Foreign Institutional Investors	26,481,643	18.92
Non institutional Bodies Corporate	4,701,862	3.36
Individual Shareholders (holding nominal capital up to Rs. 1 lakh)	11,887,691	8.49
Individual Shareholders (holding nominal capital in excess of Rs. 1 lakh)	1,940,579	1.39
NRIs	583,819	0.42
Trusts	5,655	Negligible
Clearing Members	229,631	0.16
Total	140,000,160	100

There has been no change in the capital structure of IGL in the last six months prior to the filing of this Draft Red Herring Prospectus.

Board of Directors

As of the date of this Draft Red Herring Prospectus, the board of directors of IGL comprises of:

1. Mr. U. D. Choubey;
2. Mr. Om Narayan;
3. Mr. Manmohan Singh;
4. Mr. S. Radhakrishnan;
5. Mr. S. S. Dalal;
6. Mr. S.S. Rao; and
7. Mr. D.M. Spolia.

There has been no change in the management of IGL in the last six months prior to the filing of this Draft Red Herring Prospectus.

Financial Performance

The audited financial results of IGL for the Fiscals 2005, 2006 and 2007 are set forth below:

<i>(in Rs. million except for share data)</i>			
	For the year ended March 31		
	2005	2006	2007
Total Revenues	4,579.14	5,261.60	6,243.00
Profit after Tax	926.85	1,061.37	1,379.62
Equity share capital	1,400.00	1,400.00	1,400.00
Reserves and Surplus (excluding revaluation reserves) ¹	1,724.68	2,386.97	3,275.21
Earnings/ (Loss) per share (diluted) (Rs.) ²	6.62	7.58	9.85
Book value per equity share (Rs.) ²	22.30	27.05	33.40

1. Net of miscellaneous expenditure not written off.

2. Face value of each equity share is Rs. 10.

Details of listing and highest and lowest market price during the preceding six months

The equity shares of IGL are listed on BSE and NSE. The monthly high and low of the equity shares at BSE/NSE are as follows:

	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
February 2008	164.90	125.55	164.30	125.75
January 2008	182.50	110.05	182.00	110.00
December 2007	177.35	132.00	177.20	152.50
November 2007	170.00	131.00	169.95	131.55
October 2007	146.40	115.00	146.25	114.00
September 2007	138.50	113.60	138.30	112.55

Source: <http://www.bseindia.com> and <http://www.nseindia.com>

The equity share price of IGL one day prior to filing this Draft Red Herring Prospectus, i.e. on March 26, 2008 was Rs. 127.75.

Promise v. Performance

The public issue of equity shares of IGL was made in 2003 by way of an offer for sale by its existing shareholders namely IL&FS Trust Company Limited, Industrial Development Finance Company Limited and UTI-India Infrastructure Fund Unit Scheme, 1999. The issue comprised of sale of 40,000,000 equity shares of Rs. 10 each at an issue price of Rs. 48 aggregating to Rs. 1,920,000,000. The issue opened on November 28, 2003 and closed on December 5, 2003. As the issue was by way of an offer for sale no promises were made in the offer documents.

Use of Issue Proceeds

The entire net proceeds raised pursuant to the issue were paid to the existing shareholders in consideration of the offer for sale made by them.

Mechanism for Disposal of Investor Grievance

A separate share transfer and investor grievance committee has been set up to deal with approval for transfer, transmission, consolidation of certificates, issue of duplicate share certificates, dematerialization, dematerialization of shares within the stipulated period of time. The share transfer and investor grievance committee also has an investor grievances redressal system and ensures cordial relationship with the investors. All the details of share transfer/dematerialization/transmission etc. as approved by the committee are placed at the board meetings from time to time.

2. Petronet LNG Limited

Petronet LNG Limited (“PLL”) was incorporated on April 2, 1998, under the Companies Act. Its registered office is situated at World Trade Centre, 1st Floor, Babar Road, Barakhamba Lane, New Delhi 110 001 India. PLL is engaged in the business of exploring, developing, marketing and importing of LNG, CNG and other forms of natural gas.

Shareholding pattern

The equity shares of PLL are listed on the BSE and the NSE. The shareholding pattern of PLL as on February 29, 2008 is as follows:

Shareholder	Number of shares	% of issued capital
BPCL	93,750,000	12.50
Indian Oil Corporation Limited	93,750,000	12.50
Oil and Natural Gas Commission	93,750,000	12.50
GAIL (India) Limited	93,750,000	12.50
Gaz-de-France International Limited	75,000,000	10.00
Asian Development Bank	39,000,000	5.20
Public shareholding	261,000,044	34.80
Total	750,000,044	100.00

There has been no change in the capital structure of PLL in the last six months prior to the filing of this Draft Red Herring Prospectus.

Board of Directors

As of the date of this Draft Red Herring Prospectus, the board of directors of PLL comprises of:

1. Mr. M.S. Srinivasan;
2. Mr. P. Dasgupta;
3. Mr. A. Sengupta;
4. Mr. C. S. Mani;
5. Mr. Ashok Sinha;
6. Dr. U. D. Choubey;
7. Mr. B.M. Bansal;
8. Mr. N. K. Mitra;
9. Mr. Arun Duggal;
10. Mr. Jacques Gautier;
11. Mr. D. J. Pandian;
12. Mr. D.P. Roy;
13. Mr. P. K. Chadha; and
14. Mr. J. L. Zutshi.

There has been no change in the management of PLL in the last six months prior to the filing of this

Draft Red Herring Prospectus.

Financial Performance

The audited financial results of PLL, for the Fiscals 2005, 2006 and 2007 are set forth below:

(in Rs. million except for share data)

For the year ended March 31			
	2005	2006	2007
Total Revenues	19,585.32	38,566.16	55,455.47
Profit after Tax	(284.45)	1,949.26	3,132.53
Equity share capital	7,500.00	7,500.00	7,500.00
Reserves and Surplus (excluding revaluation reserves) ¹	1,554.65	3,219.46	5,255.16
Earnings/ (Loss) per share (diluted) (Rs.) ²	(0.38)	2.60	4.18
Book value per equity share (Rs.) ²	12.07	14.29	17.01

1. Net of miscellaneous expenditure not written off.

2. Face value of each equity share is Rs. 10.

Details of listing and highest and lowest market price during the preceding six months

The equity shares of PLL are listed on the BSE and the NSE. The monthly high and low of the equity shares at BSE/NSE are as follows:

	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
February 2008	83.40	64.50	83.25	66.55
January 2008	121.90	56.00	122.00	55.30
December 2007	117.50	82.25	117.40	82.90
November 2007	90.50	63.55	90.50	61.55
October 2007	92.45	61.60	92.80	61.10
September 2007	66.70	57.30	66.70	57.25

Source: <http://www.bseindia.com> and <http://www.nseindia.com>

The equity share price of PLL one day prior to filing this Draft Red Herring Prospectus, i.e. on March 26, 2008 was Rs. 65.45.

Promise v. Performance

The public issue of equity shares of PLL was made in 2004 by way of an initial public offering of fresh shares. The issue comprised of issue of 260,979,900 equity shares of Rs. 10 each at a price of Rs. 15 aggregating to Rs. 3,914,700,000. The issue opened on March 1, 2004 and closed on March 9, 2004. The equity shares were issued to part finance the cost of the project which constituted LNG import and regasification facilities at Dahej, including LNG receiving and regasification terminal, marine works and uploading facilities, with an initial through put capacity of 5 MMTPA. The net proceeds of the issue, after deducting underwriting, management fees, selling fees and all other issue related expenses, were utilized towards financing the cost of the project as stated in the prospectus issued at the time of the public issue and other funds requirement which included financing of cost incurred on developmental work undertaken by PLL for conducting feasibility study for the LNG Terminal at Kochi, and for investment in respect of solid cargo port at Dahej. The LNG terminal set up by the Company at Dahej became operational on April 9, 2004.

Use of Issue Proceeds

The proceeds of the issue were used for the purpose for which it was floated which was to finance the project at Dahej constituting LNG import and regasification facilities. There has been no deviation in respect of use of proceeds of the public issue made by PLL.

Mechanism for Disposal of Investor Grievance

PLL appointed M/s Karvy Computershare Private Limited as its registrar and share transfer Agent at the time of the public issue of its equity shares and also to look after the share transfer related jobs and

to provide necessary information from time to time to the company and to maintain updated shareholders' details. The investors' complaints are received by PLL and also directly by M/s Karvy Computershare Private Limited. The complaints received by PLL are forwarded to M/s Karvy Computershare Private Limited with an advice to redress the same within a week's time and the same are followed up until the complaints are settled. Further, the status of investor grievances are reviewed by the shareholders/investor grievance committee, as constituted in terms of the listing agreement. The shareholders/investors grievance committee was reconstituted in January 2006 by co-opting independent directors in terms of the provisions of the listing agreement. The company secretary is the compliance officer of PLL.

3. Bharat PetroResources Limited

Bharat PetroResources Limited ("BPL") was incorporated on October 17, 2006 under the Companies Act. Its registered office is at 4 and 6, Currimbhoy Road, Ballard Estate, Mumbai- 400 001 India. BPL is engaged in the business of undertaking activities related to production and exploration of oil/gas and other energy resources.

Shareholding Pattern

The shares of BPL are not listed on any stock exchange. The shareholding pattern of BPL as on February 29, 2008 is as follows:

Category of Shareholder	Number of Shares	% of issued capital
BPCL	49,940	99.88
Mr. B. K. Menon	10	0.02
Mr. D. Raj Kumar	10	0.02
Mr. D. M. Naik Bengre	10	0.02
Mr. P. Balasubramanian	10	0.02
Mr. V. Srinivasan	10	0.02
Mr. Narendra Dixit	10	0.02
Total	50,000	100

There has been no change in the capital structure of BPL in the last six months prior to the filing of this Draft Red Herring Prospectus.

Board of Directors

As of the date of this Draft Red Herring Prospectus, the board of directors of BPL comprises of:

1. Mr. B. K. Menon;
2. Mr. Ashok Sinha;
3. Mr. S. K. Joshi; and
4. Mr. R. K. Singh.

There has been no change in the management of BPL in the last six months prior to the filing of this Draft Red Herring Prospectus.

Financial Performance

BPL has availed an exemption from the registrar of companies, Maharashtra for filing of audited financial results for the Fiscal 2007 and accordingly, no financial information is available for the said period.

4. Numaligarh Refinery Limited

Numaligarh Refinery Limited ("NRL") was incorporated on April 22, 1993, under the Companies Act. Its registered office is situated at 147, Udayan, RG Baruah Road, Guwahati, Assam, India. NRL is engaged in the business of refining of crude oil and marketing thereof.

Shareholding Pattern

The shares of NRL are not listed on any stock exchange. The shareholding pattern of NRL as on February 29, 2008 is as follows:

Shareholder	Number of shares	% of issued capital
BPCL	453,545,964	61.65
Governor of Assam	90,821,337	12.35
Oil India Limited	191,264,202	26.00
Nominees of BPCL and Government of Assam	41	Negligible
Total	735,631,544	100.00

There has been no change in the capital structure of NRL in the last six months prior to the filing of this Draft Red Herring Prospectus.

Board of Directors

As of the date of this Draft Red Herring Prospectus, the board of directors of NRL comprises of:

1. Dr. B. K. Das;
2. Mr. Dipak Chakravarty;
3. Mr. Nilmoni Bhakta;
4. Mr. C.B. Singh;
5. Mr. Manu Srivastava;
6. Mr. Ashok Sinha;
7. Mr. S. Radhakrishnan;
8. Mr. R.K. Singh;
9. Mr. S.K. Joshi;
10. Mr. P.C. Sharma;
11. Mr. H.S. Das; and
12. Mr. J.P. Rajkhowa.

There has been no change in the management of NRL in the last six months prior to the filing of this Draft Red Herring Prospectus.

Financial Performance

The audited financial results of NRL for the Fiscals 2005, 2006 and 2007 are set forth below:

	<i>(in Rs. million except for share data)</i>		
	For the year ended March 31		
	2005	2006	2007
Total Revenues	39,291.06	52,870.52	72,409.78
Profit after Tax	4,091.52	4,489.44	5,688.03
Equity share capital	7,356.32	7,356.32	7,356.32
Reserves and Surplus (excluding revaluation reserves) ¹	6,661.35	9,556.96	13,093.36
Earnings/ (Loss) per share (diluted) (Rs.) ²	5.56	6.10	7.73
Book value per equity share (Rs.) ²	19.05	22.99	27.80

1. Net of miscellaneous expenditure not written off.

2. Face value of each equity share is Rs. 10.

5. Petronet India Limited

Petronet India Limited (“PIL”) was incorporated on May 26, 1997, under the Companies Act. Its registered office is situated at 601-603 ‘A’ Vertex Vikas Shopping Centre, M.V Road, Andheri (East), Mumbai 400 069, India. PIL is engaged in the business of furthering the development of products pipeline network in the country by way of investments in joint venture companies for construction and operation of nation wide pipe line network to be operated on common carrier basis.

Shareholding pattern

The shares of PIL are not listed on any stock exchange. The shareholding pattern of PIL as on February 29, 2008 is as follows:

Shareholder	Number of shares	% of issued capital
Indian Oil Corporation Limited	18,000,000	18.00
BPCL	16,000,000	16.00
Hindustan Petroleum Corporation Limited	16,000,000	16.00
IL&FS Trust Co. Limited	10,000,000	10.00
State Bank of India	10,000,000	10.00
ICICI Bank Limited	10,000,000	10.00
Reliance Industries Limited	10,000,000	10.00
Essar Oil Limited	10,000,000	10.00
Total	100,000,000	100.00

There has been no change in the capital structure of PIL in the last six months prior to the filing of this Draft Red Herring Prospectus.

Board of Directors

As of the date of this Draft Red Herring Prospectus, the board of directors of PIL comprises of:

1. Mr. P. Raghavendran;
2. Mr. S. A. Narayan;
3. Mr. A. N. Sinha;
4. Dr. Anand Teltumbde;
5. Mr. N. R. Narayanan;
6. Mr. R. Narayanan;
7. Mr. P. Suresh;
8. Mr. K. K. Gangadharan;
9. Mr. B. Mukherjee;
10. Mr. P. Suresh; and
11. Mr. P. K. Chakraborti.

There has been no change in the management of PIL in the last six months prior to the filing of this Draft Red Herring Prospectus.

Financial Performance

The audited financial results of PIL for the Fiscals 2005, 2006 and 2007 are set forth below:

<i>(in Rs. million except for share data)</i>			
	For the year ended March 31		
	2005	2006	2007
Total Revenues	0.32	0.16	4.17
Profit after Tax	(14.74)	(19.26)	(129.14)
Equity share capital	1,000.00	1,000.00	1,000.00
Reserves and Surplus (excluding revaluation reserves) ¹	46.77	27.50	23.29
Earnings/ (Loss) per share (diluted) (Rs.) ²	(0.14)	(0.19)	(1.30)
Book value per equity share (Rs.) ²	10.47	10.27	8.98

1. Net of miscellaneous expenditure not written off.
2. Face value of each equity share is Rs. 10.

6. Petronet CCK Limited

Petronet CCK Limited ("PCCKL") was incorporated on June 18, 1998, under the Companies Act. Its registered office is situated at Irimpanam Installation of Bharat Petroleum Corporation Limited, Irimpanam P.O., Cochin- 682 309, India. PCCKL is engaged in the business of transportation of petroleum products through underground pipeline and construction and maintenance of underground pipelines.

Shareholding Pattern

The shares of PCCCKL are not listed on any stock exchange. The shareholding pattern of PCCCKL as on February 29, 2008 is as follows:

Shareholder	Number of shares	% of issued capital
BPCL	49,000,000	49.00
Petronet India Limited	26,000,000	26.00
Infrastructure Development Finance Corporation Limited	19,973,332	19.97
State Bank of India	4,986,666	4.99
IL&FS Trust Company Limited	39,920	0.04
Employees of BPCL and PIL	82	Negligible
Total	100,000,000	100.00

There has been no change in the capital structure of PCCCKL in the last six months prior to the filing of this Draft Red Herring Prospectus.

Board of Directors

As of the date of this Draft Red Herring Prospectus, the board of directors of PCCCKL comprises of:

1. Mr. S.A. Narayan;
2. Mr. S. Varadarajan;
3. Mr. E. Nandakumar;
4. Mr. Anand Teltumbde;
5. Mr. P. M. Thomas; and
6. Mr. M. N. Neelakanton.

There has been no change in the management of PCCCKL in the last six months prior to the filing of this Draft Red Herring Prospectus.

Financial Performance

The audited financial results of PCCCKL for the Fiscals 2005, 2006 and 2007 are set forth below:

<i>(in Rs. million except for share data)</i>			
For the year ended March 31			
	2005	2006	2007
Total Revenues	372.26	312.65	323.14
Profit after Tax	(22.85)	(78.86)	(65.62)
Equity share capital	1,000	1,000	1,000
Reserves and Surplus (excluding revaluation reserves) ¹	0	0	0
Earnings/ (Loss) per share (diluted) (Rs.) ²	(0.23)	(0.79)	(0.66)
Book value per equity share (Rs.) ²	7.30	6.51	5.86

1. Net of miscellaneous expenditure not written off.

2. Face value of each equity share is Rs. 10.

7. VI eTrans Private Limited

VI eTrans Private Limited ("VTPL") was incorporated on August 1, 2000 under the Companies Act. Its registered office is situated at FD 404, Sector III, Salt Lake, Kolkata- 700 106, India. VTPL is engaged in the business of providing vehicle tracking system to major corporate shippers and transporters.

Shareholding pattern

The shares of VTPL are not listed on any stock exchange. The shareholding pattern of VTPL as on February 29, 2008 is as follows:

Shareholder	Number of shares	% of issued capital
BPCL	100,000	33.33

Venture Infotek Global Private Limited	100,000	33.33
Winex Trans Private Limited	99,900	33.33
Mr. Soumya Kranti Acharya	100	0.04
Total	300,000	100.00

There has been no change in the capital structure of VTPL in the last six months prior to the filing of this Draft Red Herring Prospectus.

Board of Directors

As of the date of this Draft Red Herring Prospectus, the board of directors of VTPL comprises of:

1. Mr. S. Krishnamurti;
2. Mr. Soumya Kanti Acharya;
3. Mr. Dhruv Khaitan;
4. Mr. Ashok Malhotra;
5. Mr. S. K. Joshi; and
6. Mr. B. Ravi Kumar.

There has been no change in the management of VTPL in the last six months prior to the filing of this Draft Red Herring Prospectus.

Financial Performance

The audited financial results of VTPL for the Fiscals 2005, 2006 and 2007 are set forth below:

<i>(in Rs. million except for share data)</i>			
For the year ended March 31			
	2005	2006	2007
Total Revenues	30.35	30.99	32.77
Profit after Tax	(0.53)	(2.33)	(1.52)
Equity share capital	3.00	3.00	3.00
Reserves and Surplus (excluding revaluation reserves) ¹	0.00	0.00	00
Earnings/ (Loss) per share (diluted) (Rs.) ²	(1.76)	(7.76)	(5.07)
Book value per equity share (Rs.) ²	(159.12)	(166.06)	(171.13)

1. Net of miscellaneous expenditure not written off.

2. Face value of each equity share is Rs. 10.

8. Central UP Gas Limited

Central UP Gas Limited (“CUGL”) was incorporated on February 25, 2005, under the Companies Act. Its registered office is situated at U.P.S.I.D.C. Complex, 7th floor, A-1/4, Lakhapur, Kanpur- 208 024, India. CUGL is engaged in the business of storage, supply, sale, distribution, marketing of CNG and auto LPG as fuel for vehicles, piped natural gas for domestic/commercial/industrial purposes.

Shareholding pattern

The shares of CUGL are not listed on any stock exchange. The shareholding pattern of CUGL as on February 29, 2008 is as follows:

Shareholder	Number of shares	% of issued capital
GAIL India Limited	13,487,500	23.66
BPCL	13,487,500	23.66
Asian Development Bank	12,000,000	21.05
India Development Fund	9,000,000	15.79
Pan Asia Project Development Fund	5,000,000	8.77
Pan Asia Infrastructure Asset Management Company Pte Limited	4,000,000	7.02
Directors	5,000	0.01
Others	20,000	0.04
Total	57,000,000	100.00

There has been no change in the capital structure of CUGL in the last six months prior to the filing of this Draft Red Herring Prospectus.

Board of Directors

As of the date of this Draft Red Herring Prospectus, the board of directors of CUGL comprises of:

1. Mr. A. K. Bansal;
2. Mr. S. P. Selvam;
3. Mr. K.B.S. Negi;
4. Mr. J. Wason;
5. Mr. V. V. Desai;
6. Mr. Krishna Kumar G; and
7. Mr. Ajit C Kapadia.

There have been four changes in the management of CUGL in the last six months prior to the filing of this Draft Red Herring Prospectus. Mr Prakash Kumar has resigned as a director and in his place Mr. Ajit C. Kapadia has joined the board of directors, with effect from November 27, 2007. Further, Mr. Santosh Kumar has resigned as a director and in his place Mr. J. Wason has joined the board of directors, with effect from January 11, 2008.

Financial Performance

The audited financial results of CUGL for the Fiscals 2006 and 2007 are set forth below:

	<i>(in Rs. million except for share data)</i>	
	For the year ended March 31	
	2006	2007
Total Revenues	-	62.26
Profit after Tax	-	(4.28)
Equity share capital	0.16	57
Reserves and Surplus (excluding revaluation reserves) ¹	0.00	0.00
Earnings/ (Loss) per share (diluted) (Rs.) ²	-	(0.23)
Book value per equity share (Rs.) ²	-	N.A

1. Net of miscellaneous expenditure not written off.

2. Face value of each equity share is Rs. 10.

CUGL commenced its commercial operations in April 2006, hence financial information is not available for Fiscal 2005 and only pre-operative financial information is available for Fiscal 2006.

9. Maharashtra Natural Gas Limited

Maharashtra Natural Gas Limited (“MNGL”) was incorporated on January 13, 2006, under the Companies Act. Its registered office is situated at Plot No. 27, Narveeri Tanajiwadi, PMT Depot, “A” Block, Commercial Building, Shivajinagar, Pune- 411 005, India. MNGL is engaged in the business of city gas / CNG distribution.

Shareholding pattern

The shares of Maharashtra Natural Gas Limited are not listed on any stock exchange. The shareholding pattern of Maharashtra Natural Gas Limited as on February 29, 2008 is as follows:

Shareholder	Number of shares	% of issued capital
BPCL (and nominees)	25,000	50.00
GAIL India Limited (and nominees)	25,000	50.00
Total	50,000	100.00

There has been no change in the capital structure of MNGL in the last six months prior to the filing of this Draft Red Herring Prospectus.

Board of Directors

As of the date of this Draft Red Herring Prospectus, the board of directors of MNGL comprises of:

1. Mr. A. K. Bansal;
2. Mr. T. K. Majumder;
3. Mr. M. R. Hingnikar; and
4. Mr. K. L. Thussu.

There has been no change in the management of MNGL in the last six months prior to the filing of this Draft Red Herring Prospectus.

Financial Performance

MNGL has not yet commenced its commercial operations, hence no information is available on its financial performance for the Fiscal 2006 and 2007.

10. Sabarmati Gas Limited

Sabarmati Gas Limited (“SGL”) was incorporated on June 6, 2006 under the Companies Act. Its registered office is situated at GSPC Bhavan, Behind Udyog Bhavan, Sector-11, Gandhinagar- 382 011, Gujarat. SGL is engaged in the business of distribution of natural gas to all industrial and other customers.

Shareholding pattern

The shares of SGL are not listed on any stock exchange. The shareholding pattern of SGL as on February 29, 2008 is as follows:

Shareholder	Number of shares	% of issued capital
BPCL	12,500	24.90
Gujarat State Petroleum Corporation Limited	12,500	24.90
Individual shareholders	25,200	50.20
Total	50,200	100.00

There has been no change in the capital structure of SGL in the last six months prior to the filing of this Draft Red Herring Prospectus.

Board of Directors

As of the date of this Draft Red Herring Prospectus, the board of directors of SGL comprises of:

1. Mr. D. J. Pandian;
2. Mr. S.K. Kudaisya;
3. Mr. Radhakrishnan Sreedharan;
4. Mr. Subir Chatterjee;
5. Mr. Subash Dave; and
6. Mr. Ravindra Agrawal.

Mr. S.K. Paul retired as the managing director with effect from January 31, 2008 and Mr. S.K. Kudaisya has been appointed as the managing director with effect from February 1, 2008. Except as disclosed, there has been no change in the management of SGL in the last six months prior to the filing of this Draft Red Herring Prospectus.

Financial Performance

The audited financial results of SGL for the Fiscal 2007 are set forth below:

<i>(in Rs. million except for share data)</i>	
	For the year ended March 31
	2007

Total Revenues	198.87
Profit after Tax	5.63
Equity share capital	0.50
Reserves and Surplus (excluding revaluation reserves) ¹	5.58
Earnings/ (Loss) per share (diluted) (Rs.) ²	137
Book value per equity share (Rs.) ²	121.02

1. Net of miscellaneous expenditure not written off.

2. Face value of each equity share is Rs. 10.

Since SGL was incorporated on June 6, 2006, no information is available on its financial performance for the Fiscals 2005 and 2006.

11. Bharat Stars Services Private Limited

Bharat Stars Services Private Limited (“BSSPL”) was incorporated on June 6, 2006 under the Companies Act. Its registered office is situated at BPCL Aviation Fuelling Station, Indira Gandhi International Airport Terminal II, New Delhi -110061, India. BSSPL is engaged in the business of airplane refuelling at new Bangalore International Airport.

Shareholding pattern

The shares of BSSPL are not listed on any stock exchange. The shareholding pattern of BSSPL as on February 29, 2008 is as follows:

Shareholder	Number of shares*	% of issued capital
BPCL	5,000	50
S.T. Airport Services Pte Limited	5,000	50
Total	10,000	100.00

* Share Application Money

Board of Directors

As of the date of this Draft Red Herring Prospectus, the board of directors of BSSPL comprises of:

1. Mr. Lim Yeow Beng;
2. Mr. Sim Poh Choon;
3. Mr. S K Joshi; and
4. Mr. S Radhakrishnan.

Financial Performance

BSSPL has not yet commenced its commercial operations, hence no information is available on its financial performance for the Fiscal 2006 and 2007

Interest in promotion of our Company

None of our Promoter Group Companies are interested in the promotion of our Company.

Interest of the Promoter in the property of our Company

Except as stated below the Promoter does not have any interest in any property acquired or used by our Company within two years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company:

Our Registered Office: Our Registered Office situated at ‘A’ Block, Office Complex, Gautam Nagar, Bhopal, Madhya Pradesh, which covers a total area of approximately 70 square meters, is registered in the name of our Promoter. Our Promoter has allowed our Company to use the premises as our Registered Office. There is no specific lease or other agreement entered into between our Promoter and us in this regard.

Our corporate office: Our corporate office situated at Mahul, Chembur, Mumbai, is currently

registered in the name of our Promoter. Our Promoter has allowed our Company to use the premises as our corporate office. There is no specific lease or other agreement entered into between our Promoter and us in this regard.

Land: We have acquired the following properties/right of usage on the properties for the implementation of our Project:

- Land for setting up the Refinery: The land, for the Refinery and related infrastructure including the township at Bina, comprises of a total area of 1,018. 727 hectares, out of which BPCL had directly acquired land admeasuring 280.42 hectares from private parties. Further, land admeasuring 725.63 hectares was allotted by the GoMP to BPCL and the remaining land admeasuring 12.677 hectares was directly acquired by our Company from private parties. The Collector of Sagar pursuant to various orders in August 2006 and January 2007 transferred the aforesaid land allotted to BPCL to us. In addition, such land has been mortgaged in favor of our lenders in accordance with the terms of our Sanctioned Project Loan.
- Laying of the crude oil pipeline: We have acquired a RoU from private land owners and RoW from government authorities for laying of Vadinar- Bina Crude Oil Pipeline over a stretch of approximately 935 kilometers running across the states of Madhya Pradesh and Gujarat. The RoU was acquired by the central government from private land owners pursuant to provisions of the Pipelines Act. The RoW was obtained over public property i.e. forests, canals, rivers obtained from the relevant government authorities such as Western Railway, Roads and Bridges Department etc. In addition we have acquired land comprising of 16.92 hectares in Madhya Pradesh and 0.82 hectares in Gujarat and BPCL has acquired 14.80 hectares of land in Gujarat under the Land Acquisition Act of 1894, as amended, for setting up of sectionalizing valve stations, pumping stations and the intermediate pigging stations across the stretch of the Crude Oil Pipeline.
- COT and related activities in Gujarat: Our Promoter, BPCL has acquired land comprising of 186.21 hectares from the government of Gujarat on our behalf for construction of the COT, sectionalising valve stations and the approach road for the COT. As on the date of filing this DRHP, the land continues to be registered in the name of our Promoter. Pending transfer of the land in favour of our Company, our Promoter has issued a no objection certificate dated February 9, 2007 in favour of our Company for setting up of the COT and associated facilities at Vadinar.

Buildings premises used by our Company at COT:

BPCL has allowed our Company to use the following premises situated at COT for various purposes. There is no specific lease or other agreement entered into between BPCL and us in this regard.

Location	Area (square meters)	Purpose
Gujarat		
Vadinar District, Jamnagar	472.5 square meters	Fire station
Vadinar District, Jamnagar	420 square meters	Site office building
Vadinar District, Jamnagar	360 square meters	Warehouse
Vadinar District, Jamnagar	117.60 square meters	Gate house building

Common Pursuits

Our Promoter and NRL are involved in petroleum refining operations, which are similar to the planned operation of our Company. Our Promoter's refinery at Mahul, Mumbai processes 19.8 million metric tonnes of crude oil per annum. Also, our Promoter's refinery at Numaligarh, which is operated by NRL, processes 2.5 million metric tonnes of crude oil per annum.

Interest of Promoter

Our Promoter is interested in our Company to the extent of its shareholding, for which it is entitled to

dividend declared by our Company. Further, we have entered into agreements with our Promoter for crude procurement services, off-take of our petroleum products and assistance in the construction of the Crude Oil Pipeline. Our Promoter is also one of our lenders and has extended a loan facility of Rs. 2,970 million to us. In addition, our Promoter is interested in us to the extent of remuneration paid to its employees who have been deputed to our Company. For further details, see the sections “Our Business”, “History and Certain Corporate Matters- Material Agreements”, “Financial Indebtedness” and “Related Party Transactions” beginning on pages 69, 89, 200 and 131, respectively.

Disassociation by the Promoter in the last three years

Except for Bharat Shell Limited, a joint venture company, promoted by Shell Overseas Investment BV (Shell) and BPCL holding shares in the ratio of 51:49, in which BPCL sold its entire shareholding on December 31, 2007 due to commercial reasons, our Promoter has not disassociated itself with any company in the past three years.

Previous Public or Rights Issues by the Promoter Group companies

Except for Indraprastha Gas Limited and Petronet LNG Limited, none of our Promoter Group companies are presently listed on any stock exchange, or have made any public or rights issues in the preceding three years.

Sick Companies

None of our Promoter Group companies is a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended, or is under winding up or has any BIFR proceedings initiated against it. None of our Promoter Group companies has been struck off as a defunct company by any registrar of companies in India or has a negative net worth.

Loss making companies

None of our Promoter Group Companies has made a loss in the preceding 3 years, except as disclosed below:

1. Petronet LNG Limited;
2. Petronet India Limited;
3. Petronet CCK Limited;
4. VI eTrans Private Limited; and
5. Central UP Gas Limited.

Payment of benefits to our Promoter during the last two years

Except as stated in the sections “Financial Statements - Related Party Transactions” beginning on page 131, no amount or benefit has been paid or given to any Promoter within the two preceding years from the date of filing of this Draft Red Herring Prospectus or is intended to be paid.

Related party transactions

Except as stated in the sections “Financial Statements” and “Related Party Transactions” beginning on page 133 and 131, respectively, our Company has not entered into any related party transactions with the Promoter or Promoter Group Companies.

Other Confirmations

Our Promoter has further confirmed that it has not been declared as a willful defaulter by the RBI or any other Governmental authority and there are no violations of securities laws committed by it in the past or pending against it.

There are no sales or purchases between our Company and any company and entities in the Promoter Group exceeding 10% of the sales or purchases of our Company.

Our Promoter has submitted its PAN details, its bank account number(s), its registration number and the address of the registrar of companies where it is registered, to the Stock Exchanges, along with this Draft Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

Our Company has entered into certain transactions with BPCL, which is our Promoter. These related party transactions include the following:

- 1 Off-take agreement;
- 2 Crude sourcing and services agreement;
- 3 Memorandum of Understanding with respect to the Crude Oil Pipeline; and
- 4 Rupee Loan Facility Agreement.

In addition, certain employees of BPCL have been deputed to our Company. Such persons receive remuneration from our Company. For further details of these employees refer to the section “Our Management-Key managerial Personnel” beginning on page 108.

Further, we use various properties belonging to our Promoter for our corporate purposes. Our Promoter has also acquired certain land for the COT and related facilities at Gujarat. For details on such property see the section “Our Business” on page 69.

For more details on our Company’s related party transactions, see the sections “Off-take Agreement”, “Crude Sourcing and Services Agreement” and “Memorandum of Understanding with respect to the Crude Oil Pipeline” under “History and Certain Corporate Matters” beginning on page 89 and the section on “Financial Indebtedness-Related Party Transactions” on page 200.

DIVIDEND POLICY

Our Company has not declared any dividends since its incorporation. The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial position. Our Company has no stated dividend policy.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the financing arrangements we have entered into, or may enter into in relation to our Project. For further details on the financing arrangements we have already entered into, see the section “Financial Indebtedness” beginning on page 200.

FINANCIAL STATEMENTS

This section contains auditor reports as mentioned below:

- 1. Auditor report containing restated financial statements including the notes thereto. These restated financial statements have been prepared in accordance with SEBI Guidelines, as of and for the nine months ended December 31, 2007 and each of the Fiscal years 2003, 2004, 2005, 2006 and 2007. These restated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS.*
- 2. Auditor report containing audited financial statements including the notes thereto. These audited financial statements have been prepared in accordance with Indian GAAP and the Companies Act, 1956 as of and for the nine months ended December 31, 2007 and each of the Fiscal years 2003, 2004, 2005, 2006 and 2007. These audited financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS.*

RESTATED FINANCIAL STATEMENTS – AUDITOR’S REPORT

Examination Report to the Board of Directors of Bharat Oman Refineries Limited on the Restated Financial Statements of Bharat Oman Refineries Limited for the years ended March 31, 2003, 2004, 2005, 2006 and 2007 and for the nine months period ended December 31, 2007

To,
Board of Directors
Bharat Oman Refineries Limited
Mahul
Mumbai – 400 074

1. We have examined the restated financial information of Bharat Oman Refineries Limited (‘BORL’ or ‘the Company’), as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B (1), Part II of Schedule II of the Companies Act, 1956 of India (‘the Act’) and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 as amended to date (SEBI Guidelines) and in terms of our engagement agreed upon with you in accordance with our engagement letter dated January 4, 2008 in connection with the proposed initial public offer of equity shares of the Company.
2. The financial information of the Company have been extracted by the management from the statutory financial statements for the years ended March 31, 2003, 2004, 2005, 2006 and 2007 and financial statements for the nine months period ended December 31, 2007. Statutory audit for the financial years ended March 31, 2003, 2004, 2005, 2006 and 2007 was conducted by previous auditors, RSM & Co., Chartered Accountants, and accordingly reliance has been placed on the financial statements audited by them for the said years after conducting such additional procedures as deemed appropriate by us for the purposes of expressing our opinion on the restated financial information of the Company for the respective years after incorporating:
 - (a) Adjustments for the material amounts in the respective financial years to which they relate, identified by the management and examined by us for the purposes of restatement in the financial information.
 - (b) Adjustments for qualification requiring adjustments in the accounts in respective financial years to which they relate, identified by the management and examined by us for the purposes of restatement in the financial information.

The above mentioned additional procedures for the years ended March 31, 2003, 2004, 2005, 2006 and 2007 should not be construed as an audit conducted under the Generally Accepted Auditing Standards in India and accordingly we are not expressing an opinion on the individual financial statements for the years ended March 31, 2003, 2004, 2005, 2006 and 2007 in respect of which the previous auditors have expressed a qualified opinion as to the true and fair view of the financial statements of the respective years.

3. In accordance with the requirements of Part IIB of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we further report that:
 - (a) The Restated Summary Statement of Assets and Liabilities of the Company, as at March 31, 2003, 2004, 2005, 2006 and 2007 and on December 31, 2007 as set out in Annexure I to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Notes on Adjustments to Restated Financial Statements, Significant Accounting Policies and Notes to Accounts (Refer Annexure IV).
 - (b) No Profit and Loss Account has been prepared since the Company has yet to commence its commercial operations.

The Restated Statement of Pre-operative Expenditure Pending Capitalisation of the Company

for the years ended March 31, 2003, 2004, 2005, 2006 and 2007 and for the nine months period ended December 31, 2007, as set out in Annexure II to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Notes on Adjustments to Restated Financial Statements, Significant Accounting Policies and Notes to Accounts (Refer Annexure IV).

- (c) The Restated Cash Flow Statement of the Company, for the years ended March 31, 2003, 2004, 2005, 2006 and 2007 and for the nine months period ended December 31, 2007, as set out in Annexure III to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Notes on Adjustments to Restated Financial Statements, Significant Accounting Policies and Notes to Accounts (Refer Annexure IV).
- (d) Based on above and also as per the reliance placed on the financial statements audited by previous auditors for the years ended March 31, 2003, 2004, 2005, 2006 and 2007 after conducting such additional procedures as deemed appropriate by us for the purposes of expressing our opinion on the restated financial statements for the respective years, we are of the opinion that the restated financial information have been made after incorporating:
 - (i) adjustments for the material amounts in the respective financial years to which they relate;
 - (ii) there are no extra-ordinary items that need to be disclosed separately in the accounts; and
 - (iii) adjustments resulting from audit qualifications as reproduced below and more fully described in Note 1 of Annexure IV, Notes on Adjustments to Restated Financial Statements, Significant Accounting Policies and Notes to Accounts

The qualification included in the auditors' report on the statutory financial statements for the years ended March 31, 2003, 2004, 2005, 2006 and 2007 is as under:

For the years ended March 31, 2007, 2006 and 2005

“As stated in Note No. 4 of Schedule H (for the years ended March 31, 2006 and 2005)/ Schedule I (for the year ended March 31, 2007), regarding non-accounting of expenses incurred by a joint venture partner relating to project management expenses and interest thereon, the amount of which has not been quantified.”

For the years ended March 31, 2004 and 2003

“As stated in Note No. 4 (for the year ended March 31, 2004)/ Note No. 5 (for the year ended March 31, 2003) of Schedule H, regarding non-accounting of expenses incurred by joint venture partners relating to project management expenses and interest thereon, the amount of which has not been quantified.”

- (e) We have also examined the following other financial information set out in Annexures (V to XIII) prepared by the management and approved by the Board of Directors relating to the Company for the years ended March 31, 2003, 2004, 2005, 2006 and 2007 and for the nine months period ended December 31, 2007. In respect of the years ended on March 31, 2003, 2004, 2005, 2006 and 2007, the information have been included based upon the financial statements audited by the previous auditors, RSM & Co. Chartered Accountants and relied upon by us (Also refer paragraph 2 above).
 - (i) Statement of Fixed assets included in Annexure V
 - (ii) Statement of Investments included in Annexure VI
 - (iii) Statement of Loans and advances included in Annexure VII
 - (iv) Statement of Secured and Unsecured Loans included in Annexure VIII
 - (v) Statement of Current liabilities and provisions included in Annexure IX

- (vi) Statement of Dividend paid/ proposed included in Annexure X
- (vii) Statement of Accounting Ratios included in Annexure XI
- (viii) Statement of Capitalisation as at December 31, 2007 included in Annexure XII
- (ix) Statement of Tax Shelter included in Annexure XIII

In our opinion, the financial information contained in Annexure I to XIII of this report read along with the Notes on Adjustments to Restated Financial Statements, Significant Accounting Policies and Notes to Accounts (Annexure IV) after making adjustments and regrouping as considered appropriate have been prepared in accordance with Part IIB of Schedule II of the Act and the SEBI Guidelines and stamped by us for identification.

4. This report should not be in any way be construed as a re-issuance or re-dating of any of the previous audit reports by us or by any of the previous auditors.
5. The sufficiency of the procedures performed, as set forth in the above paragraphs of this report, is the sole responsibility of the Company. Consequently, we make no representation regarding the sufficiency of the procedures described above either for the purposes for which this report has been requested or for any other purpose.
6. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
7. Our work has not been carried out in accordance with the auditing standards generally accepted in the United States of America or outside of India and accordingly should not be relied on as if had been carried out in accordance with those standards.
8. Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed initial public offer of equity shares of the Company and should not be used for any other purpose except with our prior consent in writing.

Sd/-

Vilas Y. Rane

Partner

Membership No.: F-33220

For and on behalf of

Price Waterhouse

Chartered Accountants

Mumbai

ANNEXURE I
RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

Rupees in million

Particulars	As at 31st December, 2007	As at 31st March,				
		2007	2006	2005	2004	2003
A Fixed assets						
Gross block	400.74	112.22	108.49	108.00	108.09	106.78
Less : Depreciation	24.16	20.32	18.43	21.13	19.60	17.73
Net block	376.58	91.90	90.06	86.87	88.49	89.05
Less : Revaluation reserve	-	-	-	-	-	-
Net block after adjustment for revaluation reserve	376.58	91.90	90.06	86.87	88.49	89.05
B Capital work-in-progress	13,609.51	2,609.85	223.48	223.46	223.46	223.44
C Pre-operative expenditure pending capitalisation	3,754.13	2,646.41	1,616.18	1,472.69	1,452.85	1,400.76
D Intangible assets (net of amortisation)	16.00	-	-	-	-	-
E Investments	1,500.26	-	-	-	-	-
F Current assets, loans and advances						
Cash and bank balances	6,803.09	5,959.58	2.43	8.00	41.69	44.17
Loans and advances	930.71	215.98	18.48	18.66	13.57	18.79
Total	7,733.80	6,175.56	20.91	26.66	55.26	62.96
Total assets (A+B+C+D+E+F)	26,990.28	11,523.72	1,950.63	1,809.68	1,820.06	1,776.21
G Liabilities and provisions						
Secured loans	14,154.30	781.20	-	-	-	-
Unsecured loans	-	-	280.26	115.43	52.72	9.54
Debenture application money	9,000.00	9,000.00	-	-	-	-
Current liabilities	2,057.98	241.23	169.22	192.92	267.11	266.43
Provisions	8.86	1.14	1.01	1.13	-	-
Total liabilities and provisions	25,221.14	10,023.57	450.49	309.48	319.83	275.97
Net worth (A+B+C+D+E+F-G)	1,769.14	1,500.15	1,500.14	1,500.20	1,500.23	1,500.24
Net worth represented by:						
H Share capital	1,510.00	1,510.00	1,510.00	1,510.00	1,510.00	1,510.00

Particulars	As at 31st December, 2007	As at 31st March,				
		2007	2006	2005	2004	2003
I Share application money	269.00	-	-	-	-	-
J Reserves and surplus	-	-	-	-	-	-
Less: Revaluation reserve	-	-	-	-	-	-
Reserves (Net of revaluation reserve)	-	-	-	-	-	-
Less: Miscellaneous expenditure (to the extent not written off or adjusted)	9.86	9.85	9.86	9.80	9.77	9.76
	(9.86)	(9.85)	(9.86)	(9.80)	(9.77)	(9.76)
Net worth (H+I+J)	1,769.14	1,500.15	1,500.14	1,500.20	1,500.23	1,500.24

ANNEXURE II

RESTATED SUMMARY STATEMENT OF PRE-OPERATIVE EXPENDITURE PENDING CAPITALISATION

Rupees in million						
Particulars	For the period 1st Apr 2007 to 31st Dec 2007	For the year ended 31st Mar,				
		2007	2006	2005	2004	2003
Opening balance	2,646.41	1,616.18	1,472.69	1,452.85	1,400.76	1,384.08
Add:						
Salaries, allowances and others (including personnel on deputation)	86.46	44.25	5.49	3.88	3.15	3.77
Insurance	82.83	0.02	0.01	0.01	0.02	0.02
Rent, rates and taxes	3.50	0.03	0.04	0.02	0.06	0.06
Repairs and maintenance - Other assets	3.76	0.93	0.64	0.77	1.06	0.76
Consultant fees and related expenses	639.05	561.90	119.80	5.54	40.08	9.45
Traveling and conveyance	13.80	9.85	1.62	0.75	1.80	2.19
Legal and professional charges	1.08	9.59	0.13	0.19	0.66	0.77
General and administrative charges	21.48	7.65	1.15	2.05	1.18	1.14
Depreciation/ amortisation	4.39	1.89	1.51	1.70	1.88	2.29
Letter of credit and bank charges	83.51	0.49	0.03	0.01	0.01	0.01
Interest and finance costs						
- Fixed loan	637.73	110.09	-	-	-	-
- Others	16.51	310.64	14.05	9.93	3.90	0.14
	654.24	420.73	14.05	9.93	3.90	0.14
Less:						

Particulars	For the period 1st Apr 2007 to 31st Dec 2007	For the year ended 31st Mar,				
		2007	2006	2005	2004	2003
Dividend Income from current investments	36.88	-	-	-	-	-
Interest income	675.96	41.71	1.28	2.14	2.59	4.75
Miscellaneous income	3.33	1.86	0.05	3.68	0.06	0.92
	716.17	43.57	1.33	5.82	2.65	5.67
<u>Add:</u>						
Provision for tax						
- Current income tax	229.45	16.04	0.18	0.81	0.94	1.75
- Fringe benefits tax	0.34	0.43	0.17	-	-	-
	229.79	16.47	0.35	0.81	0.94	1.75
Expenditure for the period/ year (net)	1,107.72	1,030.23	143.49	19.84	52.09	16.68
Closing balance	3,754.13	2,646.41	1,616.18	1,472.69	1,452.85	1,400.76

Note:

The above statement should be read with the Notes on Adjustments to Restated Financial Statements, Significant Accounting Policies and Notes to Accounts as appearing in Annexures IV.

ANNEXURE III
RESTATED CASH FLOW STATEMENT

Rupees in million

Particulars	For the period 1st Apr 2007 to 31st Dec 2007	For the year ended 31st Mar,				
		2007	2006	2005	2004	2003
I. Cash flow from operating activities (A)	-	-	-	-	-	-
II. Cash flow from/ (used in) investing activities						
(Increase)/ decrease in loans and advances	(714.73)	(197.50)	0.18	(5.09)	5.22	2.02
Increase/(decrease) in current liabilities and provisions	1,824.47	72.14	(23.82)	(73.06)	0.68	(0.80)
Purchase of current investments	(1,500.26)	-	-	-	-	-
Purchase of fixed assets (Refer Note 3)	(36.07)	(3.73)	(4.87)	(0.12)	(1.35)	(1.40)
(Increase)/decrease in capital work-in-progress	(10,999.66)	(2,386.37)	(0.02)	-	(0.02)	0.43
(Increase) in pre-operative expenditure pending capitalisation	(1,107.72)	(1,030.23)	(143.49)	(19.84)	(52.09)	(16.68)
Sale of fixed assets	-	-	0.10	-	0.04	@
Loss on sale/ write-off of assets	-	-	0.07	-	0.02	-
Depreciation	4.39	1.89	1.51	1.70	1.88	2.23
	(12,139.06)	(3,418.44)	(146.70)	(18.22)	(51.56)	(15.42)
(Increase)/decrease in miscellaneous expenditure	(0.01)	0.01	(0.06)	(0.03)	(@)	(0.10)

Particulars	For the period 1st Apr 2007 to 31st Dec 2007	For the year ended 31st Mar,				
		2007	2006	2005	2004	2003
Net cash flow from/ (used in) investing						
activities (B)	(12,529.59)	(3,543.79)	(170.40)	(96.40)	(45.66)	(14.30)
III. Cash flow from/ (used in) financing activities						
Loans availed	13,373.10	781.20	164.83	62.71	43.18	9.54
Loans repaid	-	(280.26)	-	-	-	-
Debenture application money	-	9,000.00	-	-	-	-
Net cash flow from/ (used in) financing activities (C)	13,373.10	9,500.94	164.83	62.71	43.18	9.54
Net increase/ (decrease) in cash and cash						
equivalents (A+B+C)	843.51	5,957.15	(5.57)	(33.69)	(2.48)	(4.76)
Opening cash and cash equivalents						
as at the beginning of the period/ year						
Cash on hand	0.05	0.05	0.05	0.03	0.05	0.06
Bank balances	5,959.53	2.38	7.95	41.66	44.12	48.87
Total (D)	5,959.58	2.43	8.00	41.69	44.17	48.93
Closing cash and cash equivalents as at the end of the period/ year						

Particulars	For the period 1st Apr 2007 to 31st Dec 2007	For the year ended 31st Mar,				
		2007	2006	2005	2004	2003
Cash on hand	0.08	0.05	0.05	0.05	0.03	0.05
Bank balances	6,803.01	5,959.53	2.38	7.95	41.66	44.12
	(Refer Note 2)	(Refer Note 2)				
Total (E)	6,803.09	5,959.58	2.43	8.00	41.69	44.17
Net increase/ (decrease) in cash and cash equivalents (E-D)	843.51	5,957.15	(5.57)	(33.69)	(2.48)	(4.76)

Notes:

1. The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
2. Cash and cash equivalents consists of term deposits aggregating to Rs. 8.30 million which are kept as lien with bank against bank guarantees.
3. For the period 1st Apr 2007 to 31 Dec 2007, purchase of fixed assets excludes value of land (Rs. 269.00 million) acquired from the Government of Madhya Pradesh against which the Company has to issue equity shares of equal amount.
4. The above statement should be read with the Notes on Adjustments to Restated Financial Statements, Significant Accounting Policies and Notes to Accounts as appearing in Annexures IV.
5. Figures below Rs. 5,000 are rounded off and represented by “@”.

ANNEXURE IV

NOTES ON ADJUSTMENTS TO RESTATED FINANCIAL STATEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. NOTES ON ADJUSTMENTS FOR RESTATED FINANCIAL STATEMENTS

- a) The following notes appeared in the notes to accounts for the years ended 31st March 2007, 2006, 2005, 2004 and 2003:

For the years ended 31st March 2007, 2006 and 2005

"Certain expenses incurred by a joint venture partner relating to project management and interest costs thereon are in the process of review. These will be settled in terms of the Memorandum of Understanding dated 13th March 1993 and Joint Venture Agreement dated 23rd December 1993, after obtaining due approval of the Board of Directors of the Company / other approvals as necessary. Accordingly, this liability has not been crystallised and not accounted for in the books of account. This will have an effect of increasing the preoperative expenses which shall form part of the project costs and funded by way of capital contribution."

For the years ended 31st March 2004 and 2003

"Certain expenses incurred by joint venture partners relating to project management and interest costs thereon are in the process of review. These will be settled in terms of the Memorandum of Understanding dated 13th March 1993 and Joint Venture Agreement dated 23rd December 1993, after obtaining due approval of the Board of Directors of the Company / other approvals as necessary. Accordingly, this liability has not been crystallised and not accounted for in the books of account. This will have an effect of increasing the preoperative expenses which shall form part of the project costs and funded by way of capital contribution."

- b) During the year ended 31st March 2005, the Company has provided and paid the claim of Rs. 69.52 million made by one of the joint venture partner for certain expenses related to prior years. Further, the joint venture partner has confirmed that the aforesaid amount is a full and final settlement against the expenses incurred under the said agreements.
- c) During the nine months period ended 31st December 2007, the Company has provided for the claim of Rs. 157.58 million made by the other joint venture partner for certain expenses related to prior years. Further, the joint venture partner has confirmed that the aforesaid amount is a full and final settlement against the expenses incurred under the said agreements.
- d) As the said provision of Rs. 157.58 million and Rs. 69.52 million was relating to prior years, it has been reduced from the pre-operative expenditure for the nine months ended 31st December 2007 and for the year ended 31st March 2005 respectively, and added to the opening balance of the pre-operative expenditure for the year ended 31st March 2003.

2. AUDITORS' QUALIFICATION

- a) The statutory auditors have qualified their opinion, as reproduced hereunder, on the financial statements for the years ended 31st March 2007, 2006, 2005, 2004 and 2003 in respect of non-accounting of the expenses described in Note 1 (a) above:

For the years ended 31st March 2007, 2006 and 2005

"As stated in Note No. 4 of Schedule H (for the years ended 31st March 2006 and 2005)/ Schedule I (for the year ended 31st March 2007), regarding non-accounting of expenses

incurred by a joint venture partner relating to project management expenses and interest thereon, the amount of which has not been quantified.”

For the years ended 31st March 2004 and 2003

“As stated in Note No. 4 (for the year ended 31st March 2004)/ Note No. 5 (for the year ended 31st March 2003) of Schedule H, regarding non-accounting of expenses incurred by joint venture partners relating to project management expenses and interest thereon, the amount of which has not been quantified.”

- b) During the year ended 31st March 2005, the Company has provided and paid the claim of Rs. 69.52 million made by one of the joint venture partner for certain expenses related to prior years. Further, the joint venture partner has confirmed that the aforesaid amount is a full and final settlement against the expenses incurred under the said agreements.
- c) During the nine months period ended 31st December 2007, the Company has provided for the claim of Rs. 157.58 million made by the other joint venture partner for certain expenses related to prior years. Further, the joint venture partner has confirmed that the aforesaid amount is a full and final settlement against the expenses incurred under the said agreements.
- d) Accordingly, adjustments have been made in the restated financial statements as described in Note 1 (d).

3. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting of financial statements

The financial statements are prepared under the historical cost convention on an accrual basis, in accordance with the mandatory Accounting Standards and relevant requirements of the Companies Act, 1956 ('the Act'), to the extent applicable.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

c) Fixed assets

Fixed assets are stated at cost, net of CENVAT/ Value added tax, rebates, less accumulated depreciation, amortisation and impairment loss, if any.

All costs, including finance costs till commencement of commercial production, are capitalised.

Expenses incurred relating to project prior to commencement of commercial production are classified as "Pre-operative expenditure pending capitalisation" (net of income earned during project development).

Land acquired on perpetual lease is treated as freehold land.

d) Intangible assets

Intangible assets are amortised over their estimated economic useful lives as estimated by the management, but not exceeding the period given hereunder:

Computer software – 5 years

Cost of right of way/ use for laying pipelines is capitalised. However, cost of right of way/ use that are perennial in nature is not amortised.

e) Depreciation

Depreciation on fixed assets is provided under written down value method, at rates prescribed under Schedule XIV to the Act.

Fixed assets, costing not more than Rs.5,000 each, are depreciated at the rate of 100% in the year of capitalisation.

Expenditure on assets other than plant and machinery not exceeding Rs.1,000 per item is charged to revenue.

f) Impairment of assets

At the balance sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's fixed assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

After recognition of impairment loss, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any).

g) Transactions in foreign currency

Foreign currency transactions during the year are normally recorded at the exchange rate prevailing on the date of the transaction.

Foreign currency assets and liabilities are translated at the year end exchange rate. Resultant gains or losses are recognised in "Statement of pre-operative expenditure pending capitalisation".

h) Investments

Long term investments are valued at cost. Provision for diminution, if any, in the value of investments is made to recognise a decline, other than temporary.

Current investments are valued at lower of cost and market value / net asset value (as applicable) computed individually for each investment as at the year end.

i) Employees retirement benefits

Company's contribution to Provident Fund are provided at actuals. Gratuity and leave benefits are provided for on the basis of actuarial valuation.

j) Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

k) Taxes on income

Provision for current tax is made, based on the tax payable under the Income-tax Act, 1961.

Deferred tax on timing differences between taxable income and accounting income is

accounted for using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognised only when there is a virtual certainty of their realisation. Other items are recognised only when there is a reasonable certainty of their realisation.

l) Preliminary expenses/ Corporate expenses

Preliminary expenses and corporate expenses will be written off / amortised in the year the Company commences commercial production.

m) Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised, but disclosed in the Notes to accounts. Contingent assets are neither recognised nor disclosed in the financial statements.

4. OTHER MATERIAL NOTES FROM AUDITED FINANCIAL STATEMENTS

a) Contingent liabilities

<i>Rupees in million</i>						
	As at 31 st Dec 2007	2007	2006	2005	2004	2003
Claims against the Company not acknowledged as debts						
i) Additional amount claimed towards Right of Use/ Way of land	2.51	2.51	2.51	2.51	2.51	2.51
ii) Additional amount claimed towards Crude Oil Terminal land by land owners which would add to cost of land to the extent payment is made (excluding solatium, interest, and cost of proceeding for the cases)	296.79	296.79	296.79	296.79	296.79	296.79
iii) Additional amount claimed towards land for sectionalising valve station in Gujarat	0.63	0.63	0.63	0.63	0.63	0.63
iv) Additional amount claimed towards refinery land at Bina	0.31	0.31	0.31	0.31	0.31	0.31
v) Amounts claimed by contractors in respect of which arbitration awards/ High Court judgements have been obtained in favour of the Company, against which the contractors have challenged the arbitration awards / High Court judgements in the High Courts/ Supreme Court	433.87	433.87	433.87	433.87	433.87	433.87
vi) Disputed income tax demand	1.73	-	-	-	-	-

b) Bank guarantees

<i>Rupees in million</i>						
	As at 31 st Dec 2007	2007	2006	2005	2004	2003
Bank guarantees	8.30	8.30	-	-	-	-

c) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)

<i>Rupees in million</i>						
	As at 31 st Dec 2007	2007	2006	2005	2004	2003
Estimated amount of contracts remaining	63,277.99	36,352.99	2,704.57	833.89	820.26	910.57

to be executed on capital account and not provided for (net of advances)

- d) The Company is setting up a refinery at Bina, Madhya Pradesh, India. No Profit and Loss Account has been prepared since the Company has not commenced commercial operations. The expenditure incurred during the construction period is classified as "Pre-operative expenditure pending capitalisation" and accordingly, the Company has prepared the "Statement of pre-operative expenditure pending capitalisation" instead of a Profit and Loss Account. Income earned (net of provision for income tax) during the construction period has been applied to reduce the capital cost of the project, as shown in the "Statement of pre-operative expenditure pending capitalisation".

The Company intends to capitalise a major part of this expenditure when commercial operations begin. The amount to be capitalised or treated as revenue expenditure will be determined in accordance with the generally accepted accounting principles.

- e) The Company has not started commercial operations during the year. Hence, there are no reportable segments as defined in Accounting Standard 17 "Segment Reporting" issued by Institute of Chartered Accountants of India (ICAI).
- f) As per Accounting Standard 18 (AS-18) "Related Party Disclosure", issued by ICAI, the disclosures of transactions with the related parties as defined in AS-18 are given below:

Entity having control: effect	Bharat Petroleum Corporation Limited with effect from 9 th September 2004
Entities having joint control:	Bharat Petroleum Corporation Limited Oman Oil Company Limited
Key management personnel:	R. P. Singh (Managing Director) with effect from 10 th October 2005 J. B. S. Hazooria up to 25 th June 2005

Rupees in million						
Nature of transactions	For the period 1 st Apr 2007 to 31 st Dec 2007	For the year ended 31 st Mar				
		2007	2006	2005	2004	2003
<u>Entity having control</u>						
a) Interest expense	32.95	109.57	12.80	6.24	-	-
b) Interest income	0.13	0.64	-	-	-	-
c) Inter corporate deposits granted	-	250.00	-	-	-	-
d) Inter corporate deposits recovered	-	250.00	-	-	-	-
e) Loans obtained	425.00	2,984.21	164.83	6.94	-	-
f) Loans repaid	-	3,036.54	-	-	-	-
g) Reimbursement of expenses (includes employees on deputation)	226.54	29.38	1.98	0.70	-	-
h) Debenture application money	-	9,000.00	-	-	-	-
Outstanding as at period end/ year end						
- Receivable	6.96	6.96	-	0.04	-	-
- Payable	9,849.66	9,400.12	446.79	280.50	-	-
<u>Entities having joint control</u>						
a) Interest expense	-	-	-	2.54	3.90	0.14
b) Loans obtained	-	-	-	55.77	43.18	9.54
c) Reimbursement of expenses (includes employees on deputation)	-	-	-	1.58	1.73	1.54

Outstanding as at period end/ year end						
- Receivable	-	-	-	-	0.10	0.10
- Payable	-	-	-	-	287.30	244.35
<u>Key management personnel</u>						
Remuneration	0.88	1.06	0.91	0.94	0.90	0.94

Note: The following transactions constitute more than 10% of the total related party transactions of the same type:

Rupees in million						
Nature of transactions	For the period 1 st April 2007 to 31 st December 2007	For the year ended 31 st March				
		2007	2006	2005	2004	2003
<u>Entities having joint control</u>						
- Bharat Petroleum Corporation Limited						
a) Interest expense	-	-	-	2.54	3.90	0.14
b) Loans obtained	-	-	-	55.77	43.18	9.54
c) Reimbursement of expenses (includes employees on deputation)	-	-	-	1.58	1.73	1.54
<u>Key management personnel</u>						
Remuneration						
- R. P. Singh	0.88	1.06	0.51	-	-	-
- J. B. S. Hazooria	-	-	0.40	0.94	0.90	0.94

g) Managerial remuneration

<i>Rupees in million</i>						
Nature of transactions	For the period 1 st Apr 2007 to 31 st Dec 2007	For the year ended 31 st March				
		2007	2006	2005	2004	2003
Salaries and perquisites	0.81	0.98	0.84	0.88	0.84	0.88
Contribution to provident fund and other funds	0.07	0.08	0.07	0.06	0.06	0.06
Total	0.88	1.06	0.91	0.94	0.90	0.94

h) Details of expenditure in foreign currency

<i>Rupees in million</i>						
Particulars	For the period 1 st Apr 2007 to 31 st Dec 2007	For the year ended 31 st March				
		2007	2006	2005	2004	2003
Traveling expenses	0.84	2.92	0.87	0.08	-	-
Fees to consultants	20.32	296.75	-	-	-	-
Others	250.58	-	-	-	-	-
Total	271.74	299.67	0.87	0.08	-	-

i) For the period 1st April 2007 to 31st December 2007

- i) In absence of relevant details, the Company has not disclosed the necessary information required by Accounting Standard 15 "Employees Benefits" (Revised). The amount provided for gratuity and leave benefits is not significant and hence the non-disclosure of the information will not impact the presentation of the financial statements.
- ii) As per the terms of the Memorandum of Understanding entered between the Company and Government of Madhya Pradesh, the Company has to allot equity

shares worth Rs. 269 million to Government of Madhya Pradesh at a price not more than the price at which the shares have been allotted to the promoters in lieu of cost of government land that has been transferred to the Company. As the shares have not been allotted as at 31st December 2007, this amount has been disclosed as “Share application money”.

- iii) The Company had received Rs. 9,000 million from Bharat Petroleum Corporation Limited (BPCL) as “Debenture application money” in the year 2006-2007 against proposed issue of Convertible Zero Coupon Debentures having face value of Rs. 100 each and compulsorily convertible to 10 equity shares each of Rs. 10 at par within 36 months of issue of these debentures, at the option of the debenture holder. Subsequent to December 31, 2007, the Company has converted the “Debenture application money” of Rs. 9,000 million into “Share application money” towards issue and allotment of equity shares of face value Rs. 10 each to the BPCL and/ or its designates, partly at face value and balance at a price to be decided at later date.
- iv) Interest earned, on mobilisation advances given to contractors for capital projects, aggregating to Rs. 16.45 million (Previous year Rs. 6.68 million) has been adjusted against the value of the projects under “Capital work-in-progress”.

ANNEXURE V
STATEMENT OF FIXED ASSETS

								<i>Rupees in million</i>		
GROSS BLOCK				DEPRECIATION				NET BLOCK		
Particulars	As at 1st Apr 2007	Additions during the period 1st Apr 2007 to 31st Dec 2007	Deductions / Adjustments	As at 31st Dec 2007	Up to 31st Mar 2007	For the period 1st Apr 2007 to 31st Dec 2007	Deductions /Adjustments	As at 31st Dec 2007	As at 31st Dec 2007	As at 31st Mar 2007
<u>Tangible assets</u>										
Land *	65.06	273.59	-	338.65	-	-	-	-	338.65	65.06
Buildings	39.40	-	-	39.40	14.71	0.30	-	15.01	24.39	24.69
Office equipments	5.95	10.48	-	16.43	4.11	2.43	-	6.54	9.89	1.84
Furniture and fixtures	1.81	4.45	-	6.26	1.50	1.11	-	2.61	3.65	0.31
<u>Intangible assets</u>										
Computer software	-	16.55	-	16.55	-	0.55	-	0.55	16.00	-
TOTAL	112.22	305.07	-	417.29	20.32	4.39	-	24.71	392.58	91.90

*A part of land has been acquired by promoter company i.e. Bharat Petroleum Corporation Limited and is pending for transfer/ registration in favour of the Company.

<i>Rupees in million</i>										
Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 1st Apr 2006	Additions during the year	Deductions / Adjustments	As at 31st Mar 2007	Up to 31st Mar 2006	For the year	Deductions / Adjustments	As at 31st Mar 2007	As at 31st Mar 2007	As at 31st Mar 2006
<u>Tangible assets</u>										
Land *	63.31	1.75	-	65.06	-	-	-	-	65.06	63.31
Buildings	39.40	-	-	39.40	13.41	1.30	-	14.71	24.69	25.99
Office equipments	4.28	1.67	-	5.95	3.75	0.36	-	4.11	1.84	0.53
Furniture and fixtures	1.50	0.31	-	1.81	1.27	0.23	-	1.50	0.31	0.23
TOTAL	108.49	3.73	-	112.22	18.43	1.89	-	20.32	91.90	90.06

*A part of land has been acquired by promoter company i.e. Bharat Petroleum Corporation Limited and is pending for transfer/ registration in favour of the Company.

<i>Rupees in million</i>										
Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 1st Apr 2005	Additions during the year	Deductions / Adjustments	As at 31st Mar 2006	Up to 31st Mar 2005	For the year	Deductions / Adjustments	As at 31st Mar 2006	As at 31st Mar 2006	As at 31st Mar 2005
<u>Tangible assets</u>										
Land *	58.44	4.87	-	63.31	-	-	-	-	63.31	58.44
Buildings	39.40	-	-	39.40	12.04	1.37	-	13.41	25.99	27.36
Office equipments			2.73				2.66			

	7.01	-		4.28	6.32	0.09		3.75	0.53	0.69
Vehicles	1.65	-	1.65	-	1.54	-	1.54	-	-	0.11
Furniture and fixtures	1.50	-	-	1.50	1.23	0.05	0.01	1.27	0.23	0.27
TOTAL	108.00	4.87	4.38	108.49	21.13	1.51	4.21	18.43	90.06	86.87

*A part of land has been acquired by promoter company i.e. Bharat Petroleum Corporation Limited and is pending for transfer/ registration in favour of the Company.

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 1st Apr 2004	Additions during the year	Deductions / Adjustments	As at 31st Mar 2005	Up to 31st Mar 2004	For the year	Deductions / Adjustments	As at 31st Mar 2005	As at 31st Mar 2005	As at 31st Mar 2004
<u>Tangible assets</u>										
Land *	58.32	0.12	-	58.44	-	-	-	-	58.44	58.32
Buildings	39.40	-	-	39.40	10.60	1.44	-	12.04	27.36	28.80
Office equipments	7.13	-	0.12	7.01	6.25	0.16	0.09	6.32	0.69	0.88
Vehicles	1.65	-	-	1.65	1.50	0.04	-	1.54	0.11	0.15
Furniture and fixtures	1.59	-	0.09	1.50	1.25	0.06	0.08	1.23	0.27	0.34
TOTAL	108.09	0.12	0.21	108.00	19.60	1.70	0.17	21.13	86.87	88.49

*A part of land has been acquired by promoter company i.e. Bharat Petroleum Corporation Limited and is pending for transfer/ registration in favour of the Company.

Rupees in million

	GROSS BLOCK			DEPRECIATION				NET BLOCK		
Particulars	As at 1st Apr 2003	Additions during the year	Deductions / Adjustments	As at 31st Mar 2004	Up to 31st Mar 2003	For the year	Deductions / Adjustments	As at 31st Mar 2004	As at 31st Mar 2004	As at 31st Mar 2003
<u>Tangible assets</u>										
Land *	57.02	1.30	-	58.32	-	-	-	-	58.32	57.02
Buildings	39.40	-	-	39.40	9.08	1.52	-	10.60	28.80	30.32
Office equipments	7.12	0.05	0.04	7.13	6.02	0.24	0.01	6.25	0.88	1.10
Vehicles	1.65	-	-	1.65	1.45	0.05	-	1.50	0.15	0.20
Furniture and fixtures	1.59	-	-	1.59	1.18	0.07	-	1.25	0.34	0.41
TOTAL	106.78	1.35	0.04	108.09	17.73	1.88	0.01	19.60	88.49	89.05

*A part of land has been acquired by promoter company i.e. Bharat Petroleum Corporation Limited and is pending for transfer/ registration in favour of the Company.

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 1st Apr 2002	Additions during the year	Deductions / Adjustments	As at 31st Mar 2003	Up to 31st Mar 2002	For the year	As at 31st Mar 2003	As at 31st Mar 2003	As at 31st Mar 2002
<u>Tangible assets</u>									
Land *	55.56	1.46	-	57.02	-	-	-	-	57.02
Buildings	39.40	-	-	39.40	7.48	1.60	-	9.08	30.32
Office equipments	7.13	-	0.01	7.12	5.50	0.52	@	6.02	1.10
									1.63

Vehicles	1.65	-	-	1.65	1.38	0.07	-	1.45	0.20	0.27
Furniture and fixtures	1.64	@	0.05	1.59	1.13	0.10	0.05	1.18	0.41	0.51
TOTAL	105.38	1.46	0.06	106.78	15.49	2.29	0.05	17.73	89.05	89.89

*A part of land has been acquired by promoter company i.e. Bharat Petroleum Corporation Limited and is pending for transfer/ registration in favour of the Company.

Figures below Rs. 5,000 are rounded off and represented by “@”.

ANNEXURE VI
STATEMENT OF INVESTMENTS

	<i>Rupees in million</i>					
	As at 31st Dec 2007	As at 31st Mar 2007	As at 31st Mar 2006	As at 31st Mar 2005	As at 31st Mar 2004	As at 31 st Mar 2003
Current Investments [unquoted]						
<u>In mutual fund units</u>						
1,471,645.512 UTI Liquid Cash Plan Institutional -	1,500.26	-	-	-	-	-
Daily Income Option – Reinvestment						
	1,500.26	-	-	-	-	-
Market value (Net asset value) of the mutual fund units						
	1,500.26	-	-	-	-	-

ANNEXURE VII
STATEMENT OF LOANS AND ADVANCES

	<i>Rupees in million</i>					
	As at 31st Dec 2007	As at 31st Mar 2007	As at 31st Mar 2006	As at 31st Mar 2005	As at 31st Mar 2004	As at 31 st Mar 2003
Loans and advances (unsecured, considered good)						
Interest accrued but not due	41.71	32.13	1.43	1.60	1.00	3.17
Advances recoverable in cash or in kind or for value to be received	807.29	135.97	0.01	0.01	-	-
Deposits	81.30	47.52	17.04	17.05	12.24	15.32
Advance fringe benefit tax (net of provision for fringe benefits tax)	0.41	0.36	-	-	-	-
Advance income tax (net of provision for tax)	-	-	-	-	0.33	0.30
	930.71	215.98	18.48	18.66	13.57	18.79

ANNEXURE VIII
STATEMENT OF SECURED AND UNSECURED LOANS

	<i>Rupees in million</i>					
	As at 31st Dec 2007	As at 31st Mar 2007	As at 31st Mar 2006	As at 31st Mar 2005	As at 31st Mar 2004	As at 31st Mar 2003
SECURED LOANS						
From banks/ financial institutions (Refer Note 1 below)	13,496.10	548.00	-	-	-	-
From promoter company (Refer Note 2 below)	658.20	233.20	-	-	-	-
	14,154.30	781.20	-	-	-	-
UNSECURED LOANS						
From promoter company	-	-	280.26	115.43	52.72	9.54
Debenture application money	9,000.00	9,000.00	-	-	-	-
	9,000.00	9,000.00	280.26	115.43	52.72	9.54

Note:

1. Secured against:
 - a. Mortgage and charge over all the Company's immovable and movable properties and assets, both present and future except current assets;
 - b. Charge on all intangible assets including but not limited to the goodwill, undertaking and uncalled capital of the Company;
 - c. Second charge on the current assets of the Company;
 - d. Charge/ assignment of all cash flows of the Company from the project or otherwise including the cash flows towards Sales Tax deferral granted by the Government of the State of Madhya Pradesh to the extent of Rs. 2,500 million a year which are deposited in an account designated in the Trust and Retention Account Agreement;
 - e. Charge/ assignment/ security interest of the Company's rights under each of the Project Documents duly acknowledged and consented to, where required, by the relevant counter-parties to such Project Documents, and the Clearances (to the extent assignable under applicable law);
 - f. Charge/ assignment of all licences, permits, approvals, assignments, concessions and consents in respect of or in connection with the project;
 - g. Charge/ assignment on all the Company's accounts, including but not limited to the accounts (except the Distribution Account on which there shall be a

- floating charge created which would get converted to a fixed charge on the happening of an Event of Default) and each of the other accounts required to be created by the Company under any Project Documents;
- h. Charge on all the construction and operating period insurance policies relating to the project (and cut through clauses in respect of, or assignments of reinsurances, as applicable) and naming the Security Trustee as additional insured and loss payees; and
 - i. Assignment of all rights, title and interest of the Company in, to and under all assets of the project and all Project Documents to which the Company is a party and all other contracts and agreements relating to the project.
2. Subordinate charge on all securities mentioned in Note 1 a) to i).
 3. All the charges mentioned in Notes 1 and 2 above were created during the period ended 31st December 2007.
 4. Interest rates on secured loans from banks/ financial institutions is as follows:
Life Insurance Corporation
Other banks/ financial institutions
 5. Interest on unsecured loan from promoter company was payable in the range of 10.25%, 10.25%, 10.5% and 10.75% for the years ended 31st March 2006, 2005, 2004 and 2003 respectively. These loans were payable on demand.
 6. Unsecured loans include "Debenture application money" as it is received (from Bharat Petroleum Corporation Limited) (BPCL) against proposed issue of Convertible Zero Coupon Debentures having face value of Rs. 100 each and compulsorily convertible to 10 equity shares each of Rs.10 at par within 36 months of issue of these debentures, at the option of the debenture holder.

Subsequent to 31st December 2007, the Company has converted the "Debenture application money" of Rs. 9,000 million in to "Share application money" towards issue and allotment of equity shares of face value Rs. 10 each to BPCL and/ or its designates, partly at face value and balance at a price to be decided at a later date.

There is no interest payable on "Debenture application money".
 7. The rate of interest and other terms and conditions in respect of the years ended 31st March 2007, 2006, 2005, 2004 and 2003 are as per the information and explanations furnished by the management of the Company and relied upon by the auditors.

ANNEXURE IX
STATEMENT OF CURRENT LIABILITIES AND PROVISIONS

	<i>Rupees in million</i>					
	As at 31st Dec 2007	As at 31st Mar 2007	As at 31st Mar 2006	As at 31st Mar 2005	As at 31st Mar 2004	As at 31 st Mar 2003
Current liabilities						
Sundry creditors	229.26	38.38	8.95	7.45	7.38	7.61
Book overdraft	11.68	3.82	-	-	0.29	-
Other liabilities	1,768.40	182.25	160.25	159.76	229.72	229.12
Security deposits / Earnest money deposits	48.64	16.78	0.02	25.71	29.72	29.70
	2,057.98	241.23	169.22	192.92	267.11	266.43
Provisions						
Provision for tax (net of advance tax)	8.86	1.14	1.01	1.13	-	-
	8.86	1.14	1.01	1.13	-	-

ANNEXURE X
STATEMENT OF DIVIDEND PAID/ PROPOSED

	<i>Rupees in million</i>					
Class of shares	For the period 1st Apr 2007 to 31st Dec 2007	For the year ended 31st Mar 2007	For the year ended 31st Mar 2006	For the year ended 31st Mar 2005	For the year ended 31st Mar 2004	For the year ended 31st Mar 2003
Equity shares of face value of Rs. 10 each						
Equity share capital as at year end/ period end	1,510.00	1,510.00	1,510.00	1,510.00	1,510.00	1,510.00
Rate of dividend (%)	-	-	-	-	-	-
Aggregate amount of equity dividend	-	-	-	-	-	-

ANNEXURE XI

SUMMARY OF ACCOUNTING RATIOS (BASED ON RESTATED FINANCIAL STATEMENTS)

Ratio	For the period 1st Apr 2007 to 31st Dec 2007	For the year ended 31st Mar 2007	For the year ended 31st Mar 2006	For the year ended 31st Mar 2005	For the year ended 31st Mar 2004	For the year ended 31st Mar 2003
Earnings per share - Rupees	} Refer note below					
Return on net worth - Rupees						
	As at 31st Dec 2007	As at 31st Mar 2007	As at 31st Mar 2006	As at 31st Mar 2005	As at 31st Mar 2004	As at 31st Mar 2003
Net asset value per share - Rupees	9.94	9.93	9.93	9.94	9.94	9.94

Ratios have been computed as per the following formulas:

Net asset value (NAV) per share (Rs.) =
$$\frac{\text{Net worth, as restated, at the end of the year / period}}{\text{Number of equity shares outstanding at the end of the year / period}}$$

[including number of equity shares to be issued against outstanding share application money]

Note:

No profit and loss account has been prepared since the Company is yet to commence the commercial operation as at 31st December 2007.

ANNEXURE XII
CAPITALISATION STATEMENT AS AT 31ST DECEMBER 2007

Particulars	<i>Rupees in million</i>	
	Pre-issue As at 31st Dec 2007	Post-issue (Refer Note 2)
Short term debt	-	
Long term debt	23,154.30	
Shareholders' funds		
Equity share capital	1,510.00	
Share application money	269.00	
Total shareholders' fund	1,779.00	
Long term debt/ Equity	13:1	

Notes:

1. Long term debt/ Equity ratio has been calculated as per the following formula, Long term debt/ Shareholders' fund
2. Share capital and reserves, post issue, can be ascertained only after the conclusion of the book building process.
3. The above amounts are as per the summary of restated assets and liabilities.
4. Short term debts represent debts that are due within 12 months from 31st December 2007.
5. Long term debts include "Debenture application money" as it is received (from Bharat Petroleum Corporation Limited) (BPCL) against proposed issue of Convertible Zero Coupon Debentures having face value of Rs. 100 each and compulsorily convertible to 10 equity shares each of Rs.10 at par within 36 months of issue of these debentures, at the option of the debenture holder.

Subsequent to 31st December 2007, the Company has converted the "Debenture application money" of Rs. 9,000 million in to "Share application money" towards issue and allotment of equity shares of face value Rs. 10 each to BPCL and/ or its designates, partly at face value and balance at a price to be decided at a later date.

ANNEXURE XIII

TAX SHELTER STATEMENT

Particulars	<i>Rupees in million</i>					
	For the period 1st Apr 2007 to 31st Dec 2007	For the year ended 31st Mar 2007	For the year ended 31st Mar 2006	For the year ended 31st Mar 2005	For the year ended 31st Mar 2004	For the year ended 31st Mar 2003
Tax at notional rate	229.45	16.04	0.18	0.81	0.94	1.75
<u>Adjustments:</u>						
Permanent differences	-	-	-	-	-	-
Temporary differences	-	-	-	-	-	-
Net adjustments	-	-	-	-	-	-
Tax savings thereon	-	-	-	-	-	-
Total tax	229.45	16.04	0.18	0.81	0.94	1.75
Tax on extra-ordinary items	-	-	-	-	-	-
Tax on Pre-operative income before extraordinary items	229.45	16.04	0.18	0.81	0.94	1.75

Note:

1. No profit and loss account has been prepared since the Company is yet to commence the commercial operation as at 31st December 2007. Hence, the total taxation liability on the Company is on account of pre-operative income, mainly interest on unutilised funds.
2. The figures for the nine months ended 31st December 2007 are based on the provisional computation of total income prepared by the Company. Since the same has not been filed, it is subject to any changes which may be made between the date of the statement and the date of filing the income tax return with the Income Tax Authority.

AUDITED FINANCIAL STATEMENTS – AUDITOR’S REPORT

Auditors’ Report to the Board of Directors of Bharat Oman Refineries Limited on the Financial Statements of Bharat Oman Refineries Limited for the years ended March 31, 2003, 2004, 2005, 2006 and 2007 and for the nine months period ended December 31, 2007

We have audited the attached Balance Sheet of Bharat Oman Refineries Limited (“the Company”) as at March 31, 2003, 2004, 2005, 2006 and 2007 and on December 31, 2007, the Statement of Pre-operative Expenditure Pending Capitalisation Account and the Cash Flow Statement for the years/period ended on those dates annexed thereto, collectively hereinafter referred to as ‘the Financial Statements’, all of which we have signed under reference to this report. These Financial Statements are the responsibility of the Company’s management and have been prepared for the purpose of inclusion in the Offer Documents to be prepared pursuant to an Initial Public Offering in India of equity shares of the Company. Our responsibility is to express an opinion on these Financial Statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. Based on our audit, in our opinion and to the best of our information and according to the explanations given to us, the Financial Statements together with the notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2003, 2004, 2005, 2006 and 2007 and on December 31, 2007;
 - (ii) in the case of the Statement of Pre-operative Expenditure Pending Capitalisation, of the expenditure incurred during the years ended March 31, 2003, 2004, 2005, 2006, 2007 and nine months period ended December 31, 2007; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the years ended March 31, 2003, 2004, 2005, 2006, 2007 and nine months period ended December 31, 2007.
3. As indicated in Note 11 of the Schedule “J”, the accompanying financial statements have been prepared on the basis of the audited statutory financial statements for the respective years, which have been adjusted for certain items as disclosed in the above note having a consequential impact on the “Pre-operative expenditure pending capitalisation” and “Current liabilities” in the respective years. However, there is no change in the “Pre-operative expenditure pending capitalisation” or “Current liabilities” position as at December 31, 2007 compared to the audited financial statements for the nine months period ended December 31, 2007. The audited statutory financial statements will continue to be the basis of annual reporting for the Company without these adjustments.
4. This report is solely for your information and for the purpose of inclusion in the Offer Documents to be prepared pursuant to an Initial Public Offering in India of equity shares of the Company, and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Sd/-

Vilas Y. Rane

Partner

Membership No. F-33220

For and on behalf of

Price Waterhouse

Chartered Accountants

Mumbai:

BALANCE SHEET

Rupees in million

	Schedule	As at 31st Dec 2007	As at 31 st March,				
		2007	2006	2005	2004	2003	
Rupees in million							
SOURCES OF FUNDS							
Shareholders' funds							
Share capital	A	1,510.00	1,510.00	1,510.00	1,510.00	1,510.00	1,510.00
Share application money (Refer Note 10 (b) of Schedule J)		269.00	-	-	-	-	-
Loan funds							
Secured loans	B	14,154.30	781.20	-	-	-	-
Unsecured loan	C	-	-	280.26	115.43	52.72	9.54
Debenture application money (Refer Note 10 (c) of Schedule J)		9,000.00	9,000.00	-	-	-	-
		24,933.30	11,291.20	1,790.26	1,625.43	1,562.72	1,519.54
APPLICATION OF FUNDS							
Fixed assets D							
Gross block		417.29	112.22	108.49	108.00	108.09	106.78
Less: Depreciation		24.71	20.32	18.43	21.13	19.60	17.73
Net block		392.58	91.90	90.06	86.87	88.49	89.05
Capital work-in-progress	E	13,609.51	2,609.85	223.48	223.46	223.46	223.44
Pre-operative expenditure pending capitalisation (As per statement of pre-operative expenditure pending capitalisation)		3,754.13	2,646.41	1,616.18	1,472.69	1,452.85	1,400.76
		17,756.22	5,348.16	1,929.72	1,783.02	1,764.80	1,713.25
Investments F							
		1,500.26	-	-	-	-	-
Current assets, loans and advances G							
Cash and bank balances		6,803.09	5,959.58	2.43	8.00	41.69	44.17
Loans and advances		930.71	215.98	18.48	18.66	13.57	18.79
		7,733.80	6,175.56	20.91	26.66	55.26	62.96
Less: Current liabilities and provisions H							
Current liabilities		2,057.98	241.23	169.22	192.92	267.11	266.43
Provisions		8.86	1.14	1.01	1.13	-	-
		2,066.84	242.37	170.23	194.05	267.11	266.43
Net current assets/(liabilities)							
		5,666.96	5,933.19	(149.32)	(167.39)	(211.85)	(203.47)
Miscellaneous expenditure (To the extent not written off or adjusted) I							
		9.86	9.85	9.86	9.80	9.77	9.76

		24,933.30	11,291.20	1,790.26	1,625.43	1,562.72	1,519.54
Significant accounting policies and notes forming part of accounts		J					

Schedules referred to above form an integral part of the Balance Sheet

As per our report of even date attached

For and on behalf of the Board of Directors

Sd/-
VILAS Y. RANE
Partner
Membership No. F-33220

Sd/-
R. P. SINGH
Managing Director

Sd/-
ASHOK SINHA
Chairman

For and on behalf of
Price Waterhouse
Chartered Accountants

Sd/-
S. N. MATHUR
Sr. Vice President (Finance and Administration) and
Company Secretary

Mumbai:

Mumbai:

STATEMENT OF PRE-OPERATIVE EXPENDITURE PENDING CAPITALISATION

Rupees in million

Particulars	For the period 1st Apr 2007 to 31st Dec 2007	For the year ended 31st Mar 2007	For the year ended 31st Mar 2006	For the year ended 31st Mar 2005	For the year ended 31st Mar 2004	For the year ended 31st Mar 2003
Opening balance	2,646.41	1,616.18	1,472.69	1,452.85	1,400.76	1,384.08
<u>Add:</u>						
Salaries, allowances and others (including personnel on deputation)	86.46	44.25	5.49	3.88	3.15	3.77
Insurance	82.83	0.02	0.01	0.01	0.02	0.02
Rent, rates and taxes	3.50	0.03	0.04	0.02	0.06	0.06
Repairs and maintenance - Other assets	3.76	0.93	0.64	0.77	1.06	0.76
Consultant fees and related expenses	639.05	561.90	119.80	5.54	40.08	9.45
Travelling and conveyance	13.80	9.85	1.62	0.75	1.80	2.19
Legal and professional charges	1.08	9.59	0.13	0.19	0.66	0.77
General and administrative charges	21.48	7.65	1.15	2.05	1.18	1.14
Depreciation/ amortization	4.39	1.89	1.51	1.70	1.88	2.29
Letter of credit and bank charges	83.51	0.49	0.03	0.01	0.01	0.01
Interest and finance costs						
- Fixed loan	637.73	110.09	-	-	-	-
- Others	16.51	310.64	14.05	9.93	3.90	0.14
	654.24	420.73	14.05	9.93	3.90	0.14
<u>Less:</u>						
Dividend Income from current investments	36.88	-	-	-	-	-
Interest income	675.96	41.71	1.28	2.14	2.59	4.75
Miscellaneous income	3.33	1.86	0.05	3.68	0.06	0.92

	716.17	43.57	1.33	5.82	2.65	5.67
<u>Add:</u>						
Provision for tax						
- Current income tax	229.45	16.04	0.18	0.81	0.94	1.75
- Fringe benefits tax	0.34	0.43	0.17	-	-	-
	229.79	16.47	0.35	0.81	0.94	1.75
Expenditure for the period/ year (net)	1,107.72	1,030.23	143.49	19.84	52.09	16.68
Closing balance	3,754.13	2,646.41	1,616.18	1,472.69	1,452.85	1,400.76

Significant accounting policies and notes forming part of accounts – Schedule J

Schedule referred to above form an integral part of the Statement of Pre-operative Expenditure Pending Capitalisation

As per our report of even date attached

Sd/-
VILAS Y. RANE
Partner
Membership No. F-33220

For and on behalf of
Price Waterhouse
Chartered Accountants

Mumbai:

For and on behalf of the Board of Directors

Sd/-
R. P. SINGH
Managing Director

Sd/-
S. N. MATHUR
Sr. Vice President (Finance and Administration) and Company Secretary

Mumbai:

CASH FLOW STATEMENT

Rupees in million

Particulars	For the period 1st Apr 2007 to 31st Dec 2007	For the year ended 31st Mar 2007	For the year ended 31st Mar 2006	For the year ended 31st Mar 2005	For the year ended 31st Mar 2004	For the year ended 31st Mar 2003
I. Cash flow from operating activities (A)	-	-	-	-	-	-
II. Cash flow from/ (used in) investing activities						
(Increase)/ decrease in loans and advances	(714.73)	(197.50)	0.18	(5.09)	5.22	2.02
Increase/(decrease) in current liabilities and provisions	1,824.47	72.14	(23.82)	(73.06)	0.68	(0.80)
Purchase of current investments	(1,500.26)	-	-	-	-	-
Purchase of fixed assets (Refer Note 3 below)	(36.07)	(3.73)	(4.87)	(0.12)	(1.35)	(1.40)
(Increase)/decrease in capital work-in-progress	(10,999.66)	(2,386.37)	(0.02)	-	(0.02)	0.43
(Increase) in pre-operative expenditure pending Capitalization	(1,107.72)	(1,030.23)	(143.49)	(19.84)	(52.09)	(16.68)
Sale of fixed assets	-	-	0.10	0.04	@	-
Loss on sale/ write-off of fixed assets	-	-	0.07	-	0.02	-
Depreciation/ Amortisation	4.39	1.89	1.51	1.70	1.88	2.23
	(12,139.06)	(3,418.44)	(146.70)	(18.22)	(51.56)	(15.42)
(Increase)/ decrease in miscellaneous expenditure	(0.01)	0.01	(0.06)	(0.03)	(@)	(0.10)

Particulars	For the period 1st Apr 2007 to 31st Dec 2007	For the year ended 31st Mar 2007	For the year ended 31st Mar 2006	For the year ended 31st Mar 2005	For the year ended 31st Mar 2004	For the year ended 31st Mar 2003
Net cash flow from/ (used in) investing activities (B)	(12,529.59)	(3,543.79)	(170.40)	(96.40)	(45.66)	(14.30)
III . Cash flow from/ (used in) financing activities						
Loans availed	13,373.10	781.20	164.83	62.71	43.18	9.54
Loans repaid	-	(280.26)	-	-	-	-
Debenture application money	-	9,000.00	-	-	-	-
Net cash flow from/ (used in) financing activities (C)	13,373.10	9,500.94	164.83	62.71	43.18	9.54
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	843.51	5,957.15	(5.57)	(33.69)	(2.48)	(4.76)
Opening cash and cash equivalents as at the beginning of the period/ year						
Cash on hand	0.05	0.05	0.05	0.03	0.05	0.06
Bank balances	5,959.53	2.38	7.95	41.66	44.12	48.87
Total (D)	5,959.58	2.43	8.00	41.69	44.17	48.93
Closing cash and cash equivalents as at the end of the period/ year						

Particulars	For the period 1st Apr 2007 to 31st Dec 2007	For the year ended 31st Mar 2007	For the year ended 31st Mar 2006	For the year ended 31st Mar 2005	For the year ended 31st Mar 2004	For the year ended 31st Mar 2003
Cash on hand	0.08	0.05	0.05	0.05	0.03	0.05
Bank balances	6,803.01	5,959.53	2.38	7.95	41.66	44.12
	(Refer Note 2 below)	(Refer Note 2 below)				
Total (E)	6,803.09	5,959.58	2.43	8.00	41.69	44.17
Net increase/ (decrease) in cash and cash equivalents (E-D)	843.51	5,957.15	(5.57)	(33.69)	(2.48)	(4.76)

Notes:

- 1) The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- 2) Cash and cash equivalents consists of term deposits aggregating to Rs. 8.30 million which are kept as lien with bank against bank guarantees.
- 3) For the period 1st April 2007 to 31st December 2007, purchase of fixed assets excludes value of land (Rs. 269.00 million) acquired from the Government of Madhya Pradesh against which the Company has to issue equity shares of equal amount.
- 4) Figures below Rs. 5,000 are rounded off and represented by “@” in the financial statements.

As per our report of even date attached
Sd/-
VILAS Y. RANE
Partner
Membership No. F-33220

For and on behalf of
Price Waterhouse
Chartered Accountants
Mumbai

For and on behalf of the Board of Directors

Sd/-
R. P. SINGH
Managing Director

Sd/-
ASHOK SINHA
Chairman

Sd/-
S. N. MATHUR
Sr. Vice President (Finance and Administration) and Company Secretary

Mumbai

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

<i>Rupees in million</i>						
SCHEDULE "A"	As at 31st Dec 2007	As at 31st Mar 2007	As at 31st Mar 2006	As at 31st Mar 2005	As at 31st Mar 2004	As at 31st Mar 2003
SHARE CAPITAL						
Authorised						
4,500,000,000 Equity shares of Rs.10 each	45,000.00	45,000.00	45,000.00	45,000.00	45,000.00	45,000.00
Issued, subscribed and paid up						
151,000,000 Equity shares of Rs. 10 each fully paid up	1,510.00	1,510.00	1,510.00	1,510.00	1,510.00	1,510.00

<i>Rupees in million</i>						
SCHEDULE "B"	As at 31st Dec 2007	As at 31st Mar 2007	As at 31st Mar 2006	As at 31st Mar 2005	As at 31st Mar 2004	As at 31st Mar 2003
SECURED LOANS						
From banks/ financial institutions (Refer Note 1 below)	13,496.10	548.00	-	-	-	-
From promoter company (Refer Note 2 below)	658.20	233.20	-	-	-	-
	14,154.30	781.20	-	-	-	-

Notes:

1. Secured against:
 - a. Mortgage and charge over all the Company's immovable and movable properties and assets, both present and future except current assets;
 - b. Charge on all intangible assets including but not limited to the goodwill, undertaking and uncalled capital of the Company;
 - c. Second charge on the current assets of the Company;
 - d. Charge/ assignment of all cash flows of the Company from the project or otherwise including the cash flows towards Sales Tax deferral granted by the Government of the State of Madhya Pradesh to the extent of Rs. 2,500 million a year which are deposited in an account designated in the Trust and Retention Account Agreement;
 - e. Charge/ assignment/ security interest of the Company's rights under each of the Project Documents duly acknowledged and consented to, where required, by the relevant counter-parties to such Project Documents, and the Clearances (to the extent assignable under applicable law);
 - f. Charge/ assignment of all licences, permits, approvals, assignments, concessions and consents in respect of or in connection with the project;
 - g. Charge/ assignment on all the Company's accounts, including but not limited to the accounts (except the Distribution Account on which there shall be a floating charge created which would get converted to a fixed charge on the happening of an Event of Default) and each of the other accounts required to be created by the Company under any Project Documents;
 - h. Charge on all the construction and operating period insurance policies relating to the project (and cut through clauses in respect of, or assignments of reinsurances, as applicable) and naming the Security Trustee as additional insured and loss payees; and
 - i. Assignment of all rights, title and interest of the Company in, to and under all assets of the project and all Project Documents to which the Company is a party and all other contracts and agreements relating to the project.
2. Subordinate charge on all securities mentioned in Note 1 a) to i).
3. All the charges mentioned in Notes 1 and 2 above were created during the period ended 31st

December 2007.

SCHEDULE "C"	<i>Rupees in million</i>					
	As at 31st Dec 2007	As at 31st Mar 2007	As at 31st Mar 2006	As at 31st Mar 2005	As at 31st Mar 2004	As at 31st Mar 2003
UNSECURED LOANS						
From promoter company [There are no stipulations as regards repayment of this loan]	-	-	280.26	115.43	52.72	9.54
	-	-	280.26	115.43	52.72	9.54

SCHEDULE "D"
Fixed assets (At cost, less depreciation)

<i>Rupees in million</i>										
Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 1st Apr 2007	Additions during the period 1st Apr 2007 to 31st Dec 2007	Deductions / Adjustments	As at 31st Dec 2007	Up to 31st Mar 2007	For the period 1st Apr 2007 to 31st Dec 2007	Deductions /Adjustments	As at 31st Dec 2007	As at 31st Dec 2007	As at 31st Mar 2007
<u>Tangible assets</u>										
Land *	65.06	273.59	-	338.65	-	-	-	-	338.65	65.06
Buildings	39.40	-	-	39.40	14.71	0.30	-	15.01	24.39	24.69
Office equipments	5.95	10.48	-	16.43	4.11	2.43	-	6.54	9.89	1.84
Furniture and fixtures	1.81	4.45	-	6.26	1.50	1.11	-	2.61	3.65	0.31
<u>Intangible assets</u>										
Computer software	-	16.55	-	16.55	-	0.55	-	0.55	16.00	-
TOTAL	112.22	305.07	-	417.29	20.32	4.39	-	24.71	392.58	91.90
Previous year	108.49	3.73	-	112.22	18.43	1.89	-	20.32	91.90	

*A part of land has been acquired by promoter company i.e. Bharat Petroleum Corporation Limited and is pending for transfer/ registration in favour of the Company.

Rupees in million

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 1st Apr 2006	Additions during the year	Deductions / Adjustments	As at 31st Mar 2007	Up to 31st Mar 2006	For the year	Deductions / Adjustments	As at 31st Mar 2007	As at 31st Mar 2007	As at 31st Mar 2006
<u>Tangible assets</u>										
Land *	63.31	1.75	-	65.06	-	-	-	-	65.06	63.31
Buildings	39.40	-	-	39.40	13.41	1.30	-	14.71	24.69	25.99
Office equipments	4.28	1.67	-	5.95	3.75	0.36	-	4.11	1.84	0.53
Furniture and fixtures	1.50	0.31	-	1.81	1.27	0.23	-	1.50	0.31	0.23
TOTAL	108.49	3.73	-	112.22	18.43	1.89	-	20.32	91.90	90.06
Previous year	108.00	4.87	4.38	108.49	21.13	1.51	4.21	18.43	90.06	

*A part of land has been acquired by promoter company i.e. Bharat Petroleum Corporation Limited and is pending for transfer/ registration in favour of the Company.

Rupees in million

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 1st Apr 2005	Additions during the year	Deductions / Adjustments	As at 31st Mar 2006	Up to 31st Mar 2005	For the year	Deductions / Adjustments	As at 31st Mar 2006	As at 31st Mar 2006	As at 31st Mar 2005
<u>Tangible assets</u>										
Land *	58.44	4.87	-	63.31	-	-	-	-	63.31	58.44
Buildings	39.40	-	-	39.40	12.04	1.37	-	13.41	25.99	27.36

Office equipments	7.01	-	2.73	4.28	6.32	0.09	2.66	3.75	0.53	0.69
Vehicles	1.65	-	1.65	-	1.54	-	1.54	-	-	0.11
Furniture and fixtures	1.50	-	-	1.50	1.23	0.05	0.01	1.27	0.23	0.27
TOTAL	108.00	4.87	4.38	108.49	21.13	1.51	4.21	18.43	90.06	86.87
Previous year	108.09	0.12	0.21	108.00	19.60	1.70	0.17	21.13	86.87	

*A part of land has been acquired by promoter company i.e. Bharat Petroleum Corporation Limited and is pending for transfer/ registration in favour of the Company.

<i>Rupees in million</i>										
Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 1st Apr 2004	Additions during the year	Deductions / Adjustments	As at 31st Mar 2005	Up to 31st Mar 2004	For the year	Deductions / Adjustments	As at 31st Mar 2005	As at 31st Mar 2005	As at 31st Mar 2004
<u>Tangible assets</u>										
Land *	58.32	0.12	-	58.44	-	-	-	-	58.44	58.32
Buildings	39.40	-	-	39.40	10.60	1.44	-	12.04	27.36	28.80
Office equipments	7.13	-	0.12	7.01	6.25	0.16	0.09	6.32	0.69	0.88
Vehicles	1.65	-	-	1.65	1.50	0.04	-	1.54	0.11	0.15
Furniture and fixtures	1.59	-	0.09	1.50	1.25	0.06	0.08	1.23	0.27	0.34
TOTAL	108.09	0.12	0.21	108.00	19.60	1.70	0.17	21.13	86.87	88.49
Previous year	106.78	1.35	0.04	108.09	17.73	1.88	0.01	19.60	88.49	

*A part of land has been acquired by promoter company i.e. Bharat Petroleum Corporation Limited and is pending for transfer/ registration in favour of the Company.

<i>Rupees in million</i>										
	GROSS BLOCK			DEPRECIATION				NET BLOCK		
Particulars	As at 1st Apr 2003	Additions during the year	Deductions / Adjustments	As at 31st Mar 2004	Up to 31st Mar 2003	For the year	Deductions / Adjustments	As at 31st Mar 2004	As at 31st Mar 2004	As at 31st Mar 2003
<u>Tangible assets</u>										
Land *	57.02	1.30	-	58.32	-	-	-	-	58.32	57.02
Buildings	39.40	-	-	39.40	9.08	1.52	-	10.60	28.80	30.32
Office equipments	7.12	0.05	0.04	7.13	6.02	0.24	0.01	6.25	0.88	1.10
Vehicles	1.65	-	-	1.65	1.45	0.05	-	1.50	0.15	0.20
Furniture and fixtures	1.59	-	-	1.59	1.18	0.07	-	1.25	0.34	0.41
TOTAL	106.78	1.35	0.04	108.09	17.73	1.88	0.01	19.60	88.49	89.05
Previous year	105.38	1.46	0.06	106.78	15.49	2.29	0.05	17.73	89.05	

*A part of land has been acquired by promoter company i.e. Bharat Petroleum Corporation Limited and is pending for transfer/ registration in favour of the Company.

<i>Rupees in million</i>										
	GROSS BLOCK			DEPRECIATION				NET BLOCK		
Particulars	As at 1st Apr 2002	Additions during the year	Deductions / Adjustments	As at 31st Mar 2003	Up to 31st Mar 2002	For the year	Deductions / Adjustments	As at 31st Mar 2003	As at 31st Mar 2003	As at 31st Mar 2002
<u>Tangible assets</u>										

Land *	55.56	1.46	-	57.02	-	-	-	-	57.02	55.56
Buildings	39.40	-	-	39.40	7.48	1.60	-	9.08	30.32	31.92
Office equipments	7.13	-	0.01	7.12	5.50	0.52	@	6.02	1.10	1.63
Vehicles	1.65	-	-	1.65	1.38	0.07	-	1.45	0.20	0.27
Furniture and fixtures	1.64	@	0.05	1.59	1.13	0.10	0.05	1.18	0.41	0.51
TOTAL	105.38	1.46	0.06	106.78	15.49	2.29	0.05	17.73	89.05	89.89
Previous year	105.37	0.83	0.82	105.38	13.68	2.47	0.66	15.49	89.89	

*A part of land has been acquired by promoter company i.e. Bharat Petroleum Corporation Limited and is pending for transfer/ registration in favour of the Company.

Figures below Rs. 5,000 are rounded off and represented by “@”.

<i>Rupees in million</i>						
SCHEDULE "E"	As at 31st Dec 2007	As at 31st Mar 2007	As at 31st Mar 2006	As at 31st Mar 2005	As at 31st Mar 2004	As at 31st Mar 2003
CAPITAL WORK IN PROGRESS						
Construction work-in-progress*	11,231.56	2,411.71	204.94	204.92	204.92	204.90
Advances of capital nature	2,377.95	198.14	18.54	18.54	18.54	18.54
	13,609.51	2,609.85	223.48	223.46	223.46	223.44

* Includes expenses incurred for obtaining Right of Use and Right of Way.

<i>Rupees in million</i>						
SCHEDULE "F"	As at 31st Dec 2007	As at 31st Mar 2007	As at 31st Mar 2006	As at 31st Mar 2005	As at 31st Mar 2004	As at 31st Mar 2003
INVESTMENTS						
Current Investments [unquoted]						
<u>In mutual fund units</u>						
1,471,645.512 UTI Liquid Cash Plan Institutional - Daily Income Option – Reinvestment	1,500.26	-	-	-	-	-
	1,500.26	-	-	-	-	-
Market value (Net asset value) of the mutual fund units	1,500.26	-	-	-	-	-

<i>Rupees in million</i>						
SCHEDULE "G"	As at 31st Dec 2007	As at 31st Mar 2007	As at 31st Mar 2006	As at 31st Mar 2005	As at 31st Mar 2004	As at 31st Mar 2003
CURRENT ASSETS, LOANS AND ADVANCES						
<u>Cash and bank balances</u>						
Cash on hand	0.08	0.05	0.05	0.05	0.03	0.05
Bank balances						
Balance with scheduled banks:						
- in current accounts	544.32	150.86	1.98	0.42	-	0.14
- in term deposit account (*deposits aggregating to Rs. 8.30 million are against bank guarantees)	6,258.69	* 5,808.67	* 0.40	7.53	41.66	43.98
	6,803.09	5,959.58	2.43	8.00	41.69	44.17
<u>Loans and advances</u>						
(unsecured and considered good)						
Interest accrued but not due	41.71	32.13	1.43	1.60	1.00	3.17
Advances recoverable in cash or in kind or for value to be	807.29	135.97	0.01	0.01	-	-

received						
Deposits	81.30	47.52	17.04	17.05	12.24	15.32
Advance fringe benefit tax (net of provision for fringe benefits tax)	0.41	0.36	-	-	-	-
Advance income tax (net of provision for tax)	-	-	-	-	0.33	0.30
	930.71	215.98	18.48	18.66	13.57	18.79

Rupees in million

SCHEDULE "H"	As at 31st Dec 2007	As at 31st Mar 2007	As at 31st Mar 2006	As at 31st Mar 2005	As at 31st Mar 2004	As at 31st Mar 2003
CURRENT LIABILITIES AND PROVISIONS						
Current liabilities						
Sundry creditors	229.26	38.38	8.95	7.45	7.38	7.61
Book overdraft	11.68	3.82	-	-	0.29	-
Other liabilities	1,768.40	182.25	160.25	159.76	229.72	229.12
Security deposits / Earnest money deposits	48.64	16.78	0.02	25.71	29.72	29.70
	2,057.98	241.23	169.22	192.92	267.11	266.43
Provisions						
Provision for tax (net of advance tax)	8.86	1.14	1.01	1.13	-	-
	8.86	1.14	1.01	1.13	-	-

Rupees in million

SCHEDULE "I"	As at 31st Dec 2007	As at 31st Mar 2007	As at 31st Mar 2006	As at 31st Mar 2005	As at 31st Mar 2004	As at 31st Mar 2003
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)						
Preliminary expenses	0.04	0.04	0.04	0.04	0.04	0.04
Corporate expenses	1.79	1.79	1.79	1.75	1.72	1.71
Filing fees	8.03	8.02	8.03	8.01	8.01	8.01
	9.86	9.85	9.86	9.80	9.77	9.76

SCHEDULE “J”

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS

1. Significant accounting policies

n) Basis of accounting of financial statements

The financial statements are prepared under the historical cost convention on an accrual basis, in accordance with the mandatory Accounting Standards and relevant requirements of the Companies Act, 1956 ('the Act'), to the extent applicable.

o) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

p) Fixed assets

Fixed assets are stated at cost, net of CENVAT/ Value added tax, rebates, less accumulated depreciation, amortisation and impairment loss, if any.

All costs, including finance costs till commencement of commercial production, are capitalised.

Expenses incurred relating to project prior to commencement of commercial production are classified as "Pre-operative expenditure pending capitalisation" (net of income earned during project development).

Land acquired on perpetual lease is treated as freehold land.

q) Intangible assets

Intangible assets are amortised over their estimated economic useful lives as estimated by the management, but not exceeding the period given hereunder:

Computer software – 5 years

Cost of right of way/ use for laying pipelines is capitalised. However, cost of right of way/ use that are perennial in nature is not amortised.

r) Depreciation/ Amortisation

Depreciation on fixed assets is provided under written down value method, at rates prescribed under Schedule XIV to the Act.

Fixed assets, costing not more than Rs.5,000 each, are depreciated at the rate of 100% in the year of capitalisation.

Expenditure on assets other than plant and machinery not exceeding Rs.1,000 per item is charged to revenue.

s) Impairment of assets

At the balance sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's fixed assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised

whenever the carrying amount of an asset exceeds its recoverable amount.

After recognition of impairment loss, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any).

t) Transactions in foreign currency

Foreign currency transactions during the year are normally recorded at the exchange rate prevailing on the date of the transaction.

Foreign currency assets and liabilities are translated at the year end exchange rate. Resultant gains or losses are recognised in "Statement of pre-operative expenditure pending capitalisation".

u) Investments

Long term investments are valued at cost. Provision for diminution, if any, in the value of investments is made to recognise a decline, other than temporary.

Current investments are valued at lower of cost and market value / net asset value (as applicable) computed individually for each investment as at the year end.

v) Employees retirement benefits

Company's contribution to Provident Fund are provided at actuals. Gratuity and leave benefits are provided for on the basis of actuarial valuation.

w) Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

x) Taxes on income

Provision for current tax is made, based on the tax payable under the Income-tax Act, 1961.

Deferred tax on timing differences between taxable income and accounting income is accounted for using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognised only when there is a virtual certainty of their realisation. Other items are recognised only when there is a reasonable certainty of their realisation.

y) Preliminary expenses/ Corporate expenses

Preliminary expenses and corporate expenses will be written off / amortised in the year the Company commences commercial production.

z) Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised, but disclosed in the Notes to accounts. Contingent assets are neither recognised nor disclosed in the financial statements.

2. Contingent liabilities

<i>Rupees in million</i>						
	As at 31 st Dec 2007	2007	2006	As at 31 st March,		
				2005	2004	2003

Claims against the Company not acknowledged as debts						
i)	Additional amount claimed towards Right of Use/ Way of land	2.51	2.51	2.51	2.51	2.51
ii)	Additional amount claimed towards Crude Oil Terminal land by land owners which would add to cost of land to the extent payment is made (excluding solatium, interest, and cost of proceeding for the cases)	296.79	296.79	296.79	296.79	296.79
iii)	Additional amount claimed towards land for sectionalising valve station in Gujarat	0.63	0.63	0.63	0.63	0.63
iv)	Additional amount claimed towards refinery land at Bina	0.31	0.31	0.31	0.31	0.31
v)	Amounts claimed by contractors in respect of which arbitration awards/ High Court judgements have been obtained in favour of the Company, against which the contractors have challenged the arbitration awards / High Court judgements in the High Courts/ Supreme Court	433.87	433.87	433.87	433.87	433.87
vi)	Disputed income tax demand	1.73	-	-	-	-

3. Bank guarantees

	<i>Rupees in million</i>					
	As at 31 st Dec 2007	2007	2006	2005	2004	2003
Bank guarantees	8.30	8.30	-	-	-	-

4. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)

	<i>Rupees in million</i>					
	As at 31 st Dec 2007	2007	2006	2005	2004	2003
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	63,277.99	36,352.99	2,704.57	833.89	820.26	910.57

5. The Company is setting up a refinery at Bina, Madhya Pradesh, India. No Profit and Loss Account has been prepared since the Company has not commenced commercial operations. The expenditure incurred during the construction period is classified as "Pre-operative expenditure pending capitalisation" and accordingly, the Company has prepared the "Statement of pre-operative expenditure pending capitalisation" instead of a Profit and Loss Account. Income earned (net of provision for income tax) during the construction period has been applied to reduce the capital cost of the project, as shown in the "Statement of pre-operative expenditure pending capitalisation".

The Company intends to capitalise a major part of this expenditure when commercial operations begin. The amount to be capitalised or treated as revenue expenditure will be determined in accordance with the generally accepted accounting principles.

6. The Company has not started commercial operations during the year. Hence, there are no reportable segments as defined in Accounting Standard 17 "Segment Reporting" issued by Institute of Chartered Accountants of India (ICAI).
7. As per Accounting Standard 18 (AS-18) "Related Party Disclosure", issued by ICAI, the disclosures of transactions with the related parties as defined in AS-18 are given below:

Entity having control:	Bharat Petroleum Corporation Limited with effect from 9 th September 2004
Entities having joint control: (up to 8 th September 2004)	Bharat Petroleum Corporation Limited Oman Oil Company Limited
Key management personnel:	R. P. Singh (Managing Director) with effect from 10 th October 2005 J. B. S. Hazooria up to 25 th June 2005

Rupees in million						
Nature of transactions	For the period 1 st Apr 2007 to 31 st Dec 2007	For the year ended 31 st Mar				
		2007	2006	2005	2004	2003
<u>Entity having control</u>						
a) Interest expense	32.95	109.57	12.80	6.24	-	-
b) Interest income	0.13	0.64	-	-	-	-
c) Inter corporate deposits granted	-	250.00	-	-	-	-
d) Inter corporate deposits recovered	-	250.00	-	-	-	-
e) Loans obtained	425.00	2,984.21	164.83	6.94	-	-
f) Loans repaid	-	3,036.54	-	-	-	-
g) Reimbursement of expenses (includes employees on deputation)	226.54	29.38	1.98	0.70	-	-
h) Debenture application money	-	9,000.00	-	-	-	-
Outstanding as at period end/ year end						
- Receivable	6.96	6.96	-	0.04	-	-
- Payable	9,849.66	9,400.12	446.79	280.50	-	-
<u>Entities having joint control</u>						
a) Interest expense	-	-	-	2.54	3.90	0.14
b) Loans obtained	-	-	-	55.77	43.18	9.54
c) Reimbursement of expenses (includes employees on deputation)	-	-	-	1.58	1.73	1.54
Outstanding as at period end/ year end						
- Receivable	-	-	-	-	0.10	0.10
- Payable	-	-	-	-	287.30	244.35
<u>Key management personnel</u>						
Remuneration	0.88	1.06	0.91	0.94	0.90	0.94

Note: The following transactions constitute more than 10% of the total related party transactions of the same type:

Rupees in million						
Nature of transactions	For the period 1 st Apr 2007 to 31 st Dec 2007	For the year ended 31 st Mar				
		2007	2006	2005	2004	2003
<u>Entities having joint control</u>						
- Bharat Petroleum Corporation Limited						
a) Interest expense	-	-	-	2.54	3.90	0.14
b) Loans obtained	-	-	-	55.77	43.18	9.54
c) Reimbursement of expenses (includes employees on deputation)	-	-	-	1.58	1.73	1.54

<u>Key management personnel</u>						
Remuneration						
- R. P. Singh	0.88	1.06	0.51	-	-	-
- J. B. S. Hazooria	-	-	0.40	0.94	0.90	0.94

8. Managerial remuneration

Nature of transactions	For the period 1 st Apr 2007 to 31 st Dec 2007	<i>Rupees in million</i> For the year ended 31 st Mar 2007				
		2007	2006	2005	2004	2003
Salaries and perquisites	0.81	0.98	0.84	0.88	0.84	0.88
Contribution to provident fund and other funds	0.07	0.08	0.07	0.06	0.06	0.06
Total	0.88	1.06	0.91	0.94	0.90	0.94

9. Details of expenditure in foreign currency

Particulars	For the period 1 st Apr 2007 to 31 st Dec 2007	<i>Rupees in million</i> For the year ended 31 st Mar 2007				
		2007	2006	2005	2004	2003
Traveling expenses	0.84	2.92	0.87	0.08	-	-
Fees to consultants	20.32	296.75	-	-	-	-
Others	250.58	-	-	-	-	-
Total	271.74	299.67	0.87	0.08	-	-

10. For the period 1st April 2007 to 31st December 2007

- a) In absence of relevant details, the Company has not disclosed the necessary information required by Accounting Standard 15 “Employees Benefits” (Revised). The amount provided for gratuity and leave benefits is not significant and hence the non-disclosure of the information will not impact the presentation of the financial statements.
- b) As per the terms of the Memorandum of Understanding entered between the Company and Government of Madhya Pradesh, the Company has to allot equity shares worth Rs. 269 million to Government of Madhya Pradesh at a price not more than the price at which the shares have been allotted to the promoters in lieu of cost of government land that has been transferred to the Company. As the shares have not been allotted as at 31st December 2007, this amount has been disclosed as “Share application money”.
- c) The Company had received Rs. 9,000 million from Bharat Petroleum Corporation Limited (BPCL) as “Debenture application money” in the year 2006-2007 against proposed issue of Convertible Zero Coupon Debentures having face value of Rs. 100 each and compulsorily convertible to 10 equity shares each of Rs. 10 at par within 36 months of issue of these debentures, at the option of the debenture holder. Subsequent to December 31, 2007, the Company has converted the “Debenture application money” of Rs. 9,000 million into “Share application money” towards issue and allotment of equity shares of face value Rs. 10 each to the BPCL and/ or its designates, partly at face value and balance at a price to be decided at later date.
- d) Interest earned, on mobilisation advances given to contractors for capital projects, aggregating to Rs. 16.45 million (Previous year Rs. 6.68 million) has been adjusted against the value of the projects under “Capital work-in-progress”.

11. The figures disclosed in these financial statements are extracted from the audited statutory financial statements for the financial years ended 31st March 2003, 2004, 2005, 2006, 2007 and audited financial statements for the nine months period ended 31st December 2007 approved by the Board of Directors on 6th May 2003, 7th May 2004, 4th May 2005, 26th April 2006, 8th May 2007 and 23rd January 2008 respectively, which have been adjusted for an item

which was subject matter of audit qualification in the audited statutory financial statements for the aforesaid financial years. As a result:

- for the nine months period ended 31st December 2007, pre-operative expenditure pending capitalisation for the period has been reduced by Rs. 157.58 million, as the same was accounted during the said period;
- for the year ended 31st March 2005, pre-operative expenditure pending capitalisation for the year has been reduced by Rs. 69.52 million, as the same was accounted during the said year; and
- in the opening balance as at 1st April 2003, the balance of pre-operative expenditure pending capitalisation has been increased by Rs. 227.10 million with a corresponding impact to the current liabilities which has been increased by the same amount with the consequential changes in the balances of pre-operative expenditure pending capitalisation and the current liabilities as stated in the subsequent financial years.

Hence, there is no change in the pre-operative expenditure pending capitalisation or current liability position as at 31st December 2007 compared to the audited financial statements for the nine months period ended 31st December 2007.

12. Prior years' figures had been regrouped/reclassified wherever necessary.

As per our report of even date attached

Sd/-
VILAS Y. RANE
Partner
Membership No.: F-33220

For and on behalf of
Price Waterhouse
Chartered Accountants
and

Mumbai:

For and on behalf of the Board of Directors

Sd/-
R. P. SINGH
Managing Director

Sd/-
ASHOK SINHA
Chairman

Sd/-
S. N. MATHUR
Sr. Vice President (Finance and Administration)

Company Secretary

Mumbai:

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our audited financial statements as of and for the nine months ended December 31, 2007 and each of the Fiscal years 2003, 2004, 2005, 2006 and 2007, including the notes thereto and the reports thereon. These financial statements have been prepared in accordance with Indian GAAP and the Companies Act, 1956 as described in the report of our auditors dated January 23, 2008, which is included in this Draft Red Herring Prospectus in the section "Financial Statements". These audited financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS.

You should also refer to our restated financial statements, prepared in accordance with SEBI Guidelines, as of and for the nine months ended December 31, 2007 and each of the Fiscal years 2003, 2004, 2005, 2006 and 2007, including the notes thereto and the reports thereon, which are included under the section "Financial Statements" beginning on page 133. These restated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS.

Our Fiscal year ends on March 31 of each year; all references to a particular Fiscal year are to the twelve-month period ended March 31 of that year.

Overview

We are promoted by BPCL, which is a Fortune Global 500 company with interests in downstream oil refining and marketing of petroleum products in India. As of March 31, 2007 BPCL had a network of over 7,500 retail outlets, including 21 aviation stations, 48 LPG plants and the BPCL Product Pipeline. (Source: BPCL Annual Report 2006-2007). BPCL's first refinery was commissioned in 1955 and BPCL currently operates three refineries: a 12 MMTPA (approximately 240 KBPD) refinery at Mumbai, a 7.5 MMTPA (approximately 150 KBPD) refinery at Kochi and, through its subsidiary, NRL, a 3 MMTPA (approximately 60 KBPD) refinery in Numaligarh, Assam. BPCL's market share among public sector oil refineries throughout India was 23.0%, with sales of 22.7 MMT of petroleum products in Fiscal 2007. In northern region of India, BPCL's market share among public sector oil refineries was 20.8% with sales of 6.4 MMT of petroleum products in Fiscal 2007. (Source: Petroleum Planning and Analysis Cell, Ministry of Petroleum and Natural Gas).

We are in the process of constructing a grassroots petroleum refinery in Bina in the Indian state of Madhya Pradesh. The Refinery is designed to have a crude oil processing capacity of 6 MMTPA (approximately 120 KBPD) and a complexity factor of 9.1, as measured using the Nelson Complexity Index. Our plans also include the construction of a crude oil importing and storage system in Vadinar on the west coast of India in the state of Gujarat, consisting of the SPM facility that can receive crude oil shipments from VLCCs in sizes of up to 320,000 DWT and the COT with a capacity of 480,000 cubic meters. We intend to connect the COT to the Refinery with the Crude Oil Pipeline. The Project is being executed on a hybrid basis, with certain facilities being constructed on the basis of LSTK and others utilizing conventional implementation methodology with assistance from EIL. We anticipate that the Refinery will commence commercial operations in or around January 2010.

We have engaged EIL to provide basic engineering designs in relation to certain aspects of the Refinery, project management, detailed engineering, procurement and construction management services for the Refinery, as well as pre-commissioning and commissioning assistance.

We have licensed certain process technologies for the Refinery's key process units from Chevron Lummus Global LLC, UOP LLC, Technip Benelux B.V. and Lummus Technology Inc., who are also providing us with additional services with respect to their technologies such as basic engineering designs, detailed design reviews and assistance with construction and commissioning.

We have also entered into contracts with key contractors for the Project, including Bharat Heavy Electricals Limited in respect of the Refinery's Power Plant, Punj Lloyd Limited for the Refinery's sulphur block and Naftogaz India Private Limited for the Refinery's hydrogen unit, each on a LSTK basis. Additionally, we have a contract with China Petroleum Technology and Development Corporation for the supply of the reactors for the FCHCU and DHDT and PSL Limited for the provision of piping for the Crude Oil Pipeline.

The capital cost of the Project is estimated to be Rs. 103,780.00 million (approximately US\$ 2,599.04 million), which we propose to fund through debt of approximately Rs. 63,870.00 million (approximately US\$ 1,599.54 million) and equity of approximately Rs. 40,000.00 million (approximately US\$ 1,001.75 million), including proceeds of the Issue. As of December 31, 2007, the total expenditure incurred by us was Rs. 23,764.51 (approximately US\$ 595.15 million).

We intend to sell substantially all of the Refinery's petroleum products to BPCL pursuant to the Off-take Agreement. In connection with the Project, BPCL intends to construct a marketing terminal for our petroleum products, which we will operate under a lease. BPCL also intends to construct a pipeline to connect the Marketing Terminal to the BPCL Product Pipeline for the transport of the Refinery's petroleum products. We have also entered into the Crude Sourcing and Services Agreement for the sourcing of crude oil for the Refinery.

The GoMP has agreed to provide us with certain financial incentives and tax-related benefits in connection with the implementation and operation of the Project. For further details see the section "History and Certain Corporate Matters - Memorandum of Understanding with the GoMP" beginning on page 96.

We have no operating history from which you can evaluate our business and future prospects and viability and you should not evaluate our prospects and viability based on the performance of other refineries, including BPCL's refinery at Mumbai and other refineries promoted by BPCL. We intend to commence commercial operations of the Project in or around January 2010 and therefore our prospects must be considered in light of the risks and uncertainties encountered in evolving markets where supply and demand may change significantly in a short span of time. In addition to the other information contained in this Draft Red Herring Prospectus, you should consider the information contained below in this section and some of the key factors that we expect will affect our reported results and our financial condition in the future, such as the macroeconomic factors discussed under the section "Industry Overview" beginning on page 58 and the risks discussed under the section "Risk Factors - Risk Factors relating to our Industry" beginning on page xxxiii.

Factors Affecting our Results of Operations

We anticipate that we will commence commercial operations in or around January 2010. The following discussion of factors affecting our results of operations relates to the principal factors that we expect will affect the results of our operations once we commence commercial operations. We have presented certain historical data relating to the principal factors that we expect will affect the results of our operations for indicative purposes only, and such data should not be taken as indicative of our actual expected results. See the section "Forward-Looking Statements" beginning on page xvi.

Revenue

We expect to derive substantially all of our revenue from the sale of our petroleum products. The Refinery is designed to have a crude oil processing capacity of 6 MMTPA (approximately 120 KBPD) and a complexity factor of 9.1, as measured using the Nelson Complexity Index. For further details see the section "Business – The Project" beginning on page 74.

We have entered into the Off-take Agreement pursuant to which we intend to sell substantially all of the Refinery's petroleum products to BPCL. For further details see the section "History and Certain Corporate Matters – Material Contracts – Off-take Agreement" beginning on page 96.

Under the terms of the Off-take Agreement, the price at which our petroleum products will be sold to BPCL will be determined by the standard Indian pricing mechanism. The standard Indian pricing mechanisms for our petroleum products are generally based on the FOB price that would be payable for the petroleum product in the Arab Gulf, adjusted for a number of factors, including, appropriate freight rates, exchange rates and customs duty and inland railway freight. Further, price adjustments are made for quality differentials between the quoted price of the petroleum product and the price of the petroleum product that is produced at the refineries. For further details see the section “Industry – Pricing Mechanism” beginning on page 65.

The table below sets forth the FOB Arab Gulf product prices for our anticipated petroleum product slate for Fiscal years 2004, 2005, 2006 and 2007.

(in US\$ per MT)

Product ⁽¹⁾	Fiscal			
	2004	2005	2006	2007
LPG	359	439	515	608
Naphtha	365	442	544	662
Gasoline ⁽²⁾⁽³⁾	408	519	613	693
ATF	380	511	615	665
SKO	380	511	615	665
HSD ⁽⁴⁾	344	462	550	613

(1) Excludes petroleum coke, which will be used internally by the Refinery, and sulphur, for which market prices are not available.

(2) Prices for gasoline are for a grade with Octane number 92. A premium is paid for gasoline that meets the requirements of Euro III and Euro IV.

(3) For the purposes of industry pricing in India, the prices of gasoline are calculated on the basis of a derived Arab Gulf international FOB price which is estimated as the Singapore international FOB plus freight charges from Singapore to the Arab Gulf.

(4) Prices for HSD are for a grade with a sulphur level 50ppmw. A premium is paid for gasoline that meets the requirements of Euro III and Euro IV.

Expenditures

Crude Oil Expense

We expect that our primary expenditure will consist of crude oil expense. The Refinery is designed to process Arab Mix Crude (API 31.3) containing Arab Light Crude (API 32.7) and Arab Heavy Crude (API 28.7) at a ratio of 65:35. The Refinery is also designed with the potential to process various other high sulphur crudes, as well as higher residue crudes (APIs ranging from 28 to 35), by varying throughputs and product slates.

The table below sets forth the average daily price for Arab Light, Arab Heavy and Arab Mix Crude (in the ratio of 65% Arab Light and 35% Arab Heavy) for Fiscal years 2005, 2006 and 2007.

[US \$ per barrel]

Crude	Fiscal		
	2005	2006	2007
Arab Light ⁽¹⁾	37.46	54.36	61.42
Arab Heavy ⁽¹⁾	33.64	49.45	55.76
Arab Mix Crude ⁽²⁾	36.12	52.64	59.44

- (1) Calculated as the average of the Oman and Dubai marker crudes adjusted for published premiums or discounts charged by the Saudi Government.
- (2) Calculated using the formula: $((\text{Arab Light Price} \times 0.65) + (\text{Arab Heavy Price} \times 0.35))$.

Interest Expense

Interest incurred on our Sanctioned Project Loan prior to our commencement of commercial operations will be capitalized at the time we commence commercial operations. Once we commence commercial operations, our interest expense will no longer be capitalized. We expect that once we commence commercial operations, our primary source of interest expense will be interest on our Sanctioned Project Loan and short- term loans to meet working capital requirements.

The Sanctioned Project Loan provides for aggregate borrowings of up to Rs. 63,870.00 million. As of March 15, 2008, we had borrowed Rs. 14,154.30 million under the Sanctioned Project Loan and we would expect to draw down the full availability under the Sanctioned Project Loan by the time we commence commercial operations.

Our borrowings under the Sanctioned Project Loan currently bear interest at 8.50% per annum, except for our borrowings from Life Insurance Corporation of India, which bear interest at a fixed rate of 9.10% per annum for the life of the borrowings. Beginning at the earlier of the time we commence commercial operations or 48 months from June 23, 2006, and every five years thereafter, our interest rate on borrowings under the Sanctioned Project Loan (other than our borrowings from Life Insurance Corporation of India) will be reset at greater of the benchmark rate plus 1% per annum or 8.5% per annum. The benchmark rate is equal to the arithmetic daily average quoted benchmark yields of 5 years GoI securities based on the Fixed Income Money Market and Derivatives Association of India's simple average of yield prevailing during 90 calendar days immediately preceding the date on which the interest is set. The daily average quoted yields for GoI securities with a remaining maturity of 5 years for Fiscal 2004, 2005, 2006 and 2007 were 5.60%, 6.59%, 7.34% and 7.83 %, respectively.

As on March 15, 2008, we had aggregate borrowings from Life Insurance Corporation of India of Rs. 1,080.00 million under the Sanctioned Project Loan. The total commitment of Life Insurance Corporation of India under the Sanctioned Project Loan is Rs. 5,000.00 million and we would expect to draw down such commitments fully by the time we commence commercial operations.

For further details see the paragraph "Indebtedness" below and the section "Financial Indebtedness" beginning on page 200.

Depreciation Expense

We currently incur depreciation expense on classes of assets that have been put to use, and after we commence commercial operations we will continue to incur depreciation expense on such assets. At the time we commence commercial operations, we will apportion our pre-operative expenses to various asset classes or expense item immediately and capitalize our capital work-in- progress under various asset classes and begin to incur depreciation expense on those assets at the applicable rate.

Capital work in progress represents the work that has not been completed but for which we have made a capital investment from the company. Pre-operative expenses pending capitalization represent expenses incurred towards administration of the overall Project that cannot be identified and allocated to a particular unit of the Project or a particular activity. Income earned prior to the commencement of commercial operations is used to offset pre-operative expenses pending capitalization.

As on December 31, 2007, we had gross depreciable fixed assets of Rs. 417.29 million (which is exclusive of capital work in progress and pre-operative expenses pending capitalization). As of December 31, 2007, we had capital work in progress of Rs. 13,609.51 million and net pre-operative expenses pending capitalization Rs. 3,754.13 million.

At the time we commence commercial operations, we expect to have gross depreciable fixed assets approximately equal to the estimated Project cost less land, margin money, and infructuous expenditure. For further details see the section “Objects of the Issue” beginning on page 39.

Presently, we account for depreciation using the written down value method. However, we intend to adopt the straight line method prior to our commencement of commercial operations. Under current accounting principles for the straight line method of depreciation, our assets that are classified as plant and machinery will depreciate at a rate of 5.28% per annum. Under current accounting principles, the SPM, COT and Crude Oil Pipeline will be depreciated at 10.34% (on a “triple shift” basis). Under current accounting principles, our factory buildings will depreciate at 3.34%, our other buildings will depreciate at 1.63% and our furniture and fixtures will depreciate at 6.33%.

Staff Costs

Upon commencement of commercial operation of our Project, we expect to have a staff of approximately 500 employees, including approximately 25 senior executives, 250 engineers and professionals, and other technicians and junior staff.

Certain Post-operative Tax and Financial Benefits

Our commercial operations will be subject to various taxes, duties and cess charges generally applicable to corporations in India as well as those specifically applicable to the oil and gas industry in India. The following description relates to certain post-operative tax and financial benefits that we expect to receive at the time we commence commercial operations. It should not be relied upon as a complete description of tax laws, our tax position or taxes to which we will be subject.. Tax rules are subject to change. See the section “Risk Factors”— We are exposed to potentially adverse changes in the tax regimes of India, including the central regime and regimes of the Indian States of Madhya Pradesh and Gujarat.” beginning on page xxvii.

Our inter-state sales will be subject to CST. Currently, the CST rate for our petroleum products purchased for resale by the purchaser is 3% of the sales price. However, under the GoMP MoU, we expect to receive an exemption for up to Rs. 37,500 million in central sales tax on the inter-state sale of our petroleum products for a period of 15 years from the date we commence commercial operations.

Our sales within the state of Madhya Pradesh will be subject to VAT. The table below sets forth shows the current VAT rates applicable on certain petroleum products:

Product	VAT Rate (in %)
LPG (Domestic use)	4
HSD (Industrial use)	12.5
Gasoline	28.75
HSD	26
SKO (Domestic use)	4
SKO (Industrial use)	12.5
ATF	28.75
Naphtha (general use)	12.5

VAT is typically recovered from the customer in addition to the purchase price. Under the GoMP MoU, we expect to receive an annual interest free loan up to Rs. 2,500 million per year for a period of 15 years from the date of first sale, subject to a maximum of Rs. 37,500 million to offset our value added tax payments for the sale of our petroleum products.

We will generally pay excise duty on our production of petroleum products at the time of release from the Refinery, which we expect to recover from the buyer. However, we expect to receive a credit for excise duty paid on inputs and capital goods during the construction of the Refinery, which will enable us to offset our obligation to pay excise duty to the extent of the credit. We expect that the total credits we will receive from excise duty paid on inputs and capital goods during the construction of the Refinery will be allocated equally to our first and second years of commercial production.

The GoMP generally levies a 1% entry tax on crude oil entering the state. The rate of entry tax on other petroleum products ranges from 1% to 5%, depending on the classification of the product. The GoMP has provided us with an exemption from entry tax on our supply of crude oil for 15 years from the date we commence commercial operations.

We expect to receive an exemption from the payment of income tax for a period of seven years from the date we commence commercial operations under Section 80-IB (9) of the IT Act. However, the current Finance Bill, 2008 proposes an amendment to Section 80-IB (9) of the IT Act, pursuant to which no such exemption shall be available to undertakings which commence refining of mineral oil on or after April 1, 2009. For further information see the "Statement on Tax Benefits" beginning on page 50.

Critical Accounting Policies

Our financial statements are prepared under historical cost convention in accordance with the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act adopting an accrual system of accounting except where otherwise stated. Preliminary expenses and corporate expenses incurred during the construction period will be written off /amortized in the year we commence commercial operation.

Foreign currency transactions during the year are normally recorded at the exchange rate prevailing on the date of the transaction. Foreign currency assets and liabilities are translated at the year end exchange rate. Resultant gains or losses are recognised in the "Statement of pre-operative expenditure pending capitalization".

The preparation of our financial statements requires our management to make estimates and assumptions that affect the amounts reported in our financial statements and the notes thereto. Actual results could differ from those estimates. Certain of our accounting policies are particularly important to the presentation of our financial position and results of operations and require the application of significant assumptions and estimates of our management. We refer to these accounting policies as our "critical accounting policies". While we believe that all aspects of our financial statements should be studied and understood in assessing our expected financial condition and results of operations, we believe that the following critical accounting policies warrant particular attention.

We do not intend to change any of our accounting policies prior to the commencement of commercial operation, except for the accounting policy for depreciation. We intend to follow the straight line method, as against the current written down value method, before the commencement of our commercial operations.

Fixed Assets

Fixed assets are stated at cost, net of CENVAT / VAT, rebates, less accumulated depreciation, amortisation and impairment loss, if any. All costs, including finance costs until commencement of commercial operation are capitalized. Expenses incurred relating to the Project prior to commencement of commercial operation are classified as "Pre-operative expenditure pending capitalization" (net of income earned during project development). The cost of RoW/ RoU for laying pipelines is also capitalized.

Land acquired on perpetual lease is treated as freehold land. Advance payment for the acquisition of land for which we do not yet have possession is included in the cost for such land. However, the costs of the RoU/RoW are perennial in nature and have not been amortized.

Depreciation

Depreciation on fixed assets is provided under the written down value method, at the rates prescribed under Schedule XIV to the Companies Act, except on fixed assets costing up to Rs. 5,000, which are fully depreciated in the year of capitalization. Expenditure on assets other than plant and machinery not exceeding Rs. 1,00 per item is charged to revenue.

Taxes on Income

Provision for current tax is made based on the tax payable under the IT Act. Deferred tax on timing differences between taxable income and accounting income is accounted for using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognised only when there is a virtual certainty of their realization. Other items are recognised only when there is a reasonable certainty of their realization.

Analysis of Changes of Selected Balance Sheet Items

Nine months ended December 31, 2007

Fixed Assets

During the nine months ended December 31, 2007, our gross block of fixed assets increased by Rs. 305.07 million, primarily as a result of additions to land of Rs. 273.59 million arising on our acquisition of land in Bina for the Refinery. Pursuant to the GoMP MoU, consideration for the land is payable in the form of Equity Shares.

During the nine months ended December 31, 2007, our increase to gross block of fixed assets was offset by Rs. 4.39 million of depreciation, which primarily related to office equipment and furniture and fixtures.

As at December 31, 2007, we had net block of fixed assets of Rs. 392.58 million, consisting of Rs. 338.65 million of land, Rs. 24.39 million of buildings and Rs. 29.54 million of office equipment, furniture and fixtures and computer software.

Capital Work in Progress

During the nine months ended December 31, 2007, our capital work in progress increased by Rs. 10,999.66 million, which consisted of:

- An increase of Rs. 8,819.85 million in respect of construction work in progress, which primarily consisted of periodic payments to contractors and suppliers.
- An increase of Rs. 2,179.81 million in respect of advances of a capital nature, which primarily consisted of mobilization advances paid to contractors and suppliers.

As at December 31, 2007, we had capital work in progress of Rs. 13,609.51 million, consisting of Rs. 11,231.56 million of construction work in progress and Rs. 2,377.95 million of advances of a capital nature.

Pre-operative Expenditure Pending Capitalization

During the nine months ended December 31, 2007, we incurred net pre-operative expenditure pending capitalization of Rs. 1,107.72 million.

During the nine months ended December 31, 2007, our gross pre-operative expenditure pending capitalization was Rs. 1,823.89 million, primarily consisting of:

- Rs. 654.24 million in expenditure relating to interest and finance costs, which consisted primarily of interest related to our Sanctioned Project Loan.
- Rs. 639.05 million in expenditure relating to consultant fees and related expenses, which consisted primarily of payments to our licensors of process technologies and EIL as project management consultants for the Project.

Our pre-operative expenditure pending capitalization during the nine months ended December 31, 2007 was offset by Rs. 716.17 million of income, primarily consisting of interest income derived from short-term fixed deposits with banks.

We made provision for tax during the nine months ended December 31, 2007 of Rs. 229.79 million, primarily consisting of provision for current taxes related to income from short-term investments.

As on December 31, 2007, we had Rs. 3,754.13 million of pre-operative expenditure pending capitalization.

Fiscal 2007

Fixed Assets

During Fiscal 2007, our gross block of fixed assets increased by Rs. 3.73 million, primarily as a result of additions in land and office equipment, which was offset by Rs. 1.89 million of depreciation, which primarily related to buildings.

As at March 31, 2007, we had net block of fixed assets of Rs. 91.90 million, consisting of Rs. 65.06 million of land, Rs. 24.69 million of buildings and Rs. 2.15 million of office equipment and furniture and fixtures.

Capital Work in Progress

During Fiscal 2007, our capital work in progress increased by Rs. 2,386.37 million, which primarily consisted of construction work in progress relating to site grading and laying foundations and construction of offsite facilities and a residential colony.

As at March 31, 2007, we had capital work in progress of Rs. 2,609.85 million, consisting of Rs. 2,411.71 million of construction work in progress and Rs. 198.14 million of advances of a capital nature.

Pre-operative Expenses Pending Capitalization

During Fiscal 2007, we incurred net pre-operative expenditure pending capitalization of Rs. 1030.23 million.

During Fiscal 2007, our gross pre-operative expenditure pending capitalization was Rs. 1,073.80 million, primarily consisting of:

- Rs. 561.90 million in expenditure relating to consultant fees and related expenses, which consisted primarily of payments to our licensors of process technologies and EIL as project management consultants for the Project.

- Rs. 420.73 million in expenditure relating to interest and finance costs, which consisted primarily of interest related to our Sanctioned Project Loan and interest paid to BPCL for unsecured advances prior to our execution of the Sanctioned Project Loan.

Our pre-operative expenditure pending capitalization during the Fiscal 2007 was offset by Rs. 43.57 million of income primarily consisting of interest income derived from short-term fixed deposits with banks.

We made provision for taxation during Fiscal 2007 of Rs. 16.47 million, primarily consisting of provision for current taxes related to income from short-term fixed deposits.

As on March 31, 2007, we had Rs. 2,646.41 million of pre-operative expenditure pending capitalization.

Fiscal 2006

Fixed Assets

During Fiscal 2006, our net block of fixed assets increased by Rs. 0.49 million, primarily as a result of additions of Rs. 4.87 million in respect of land arising on our acquisition of land for COT in Vadinar, which was offset by Rs. 4.38 million as a result of our disposal of old office equipment and vehicles.

During Fiscal 2006, our additions to fixed assets was further offset by Rs. 1.51 million of depreciation relating to buildings, office equipment and furniture and fixtures after adjustments for write back of depreciation relating to the disposed assets.

As of March 31, 2006, we had net block of fixed assets of Rs. 90.06 million, consisting of Rs. 63.31 million of land, Rs. 25.99 million of buildings and Rs. 0.76 million of office equipment, furniture and fixtures and computer software.

Capital Work in Progress

During Fiscal 2006, our capital work in progress increased by Rs. 0.02 million. As at March 31, 2006, we had capital work in progress of Rs. 223.48 million, consisting of Rs. 204.94 million of construction work in progress and Rs. 18.54 million of advances of a capital nature.

Pre-operative Expenditure Pending Capitalization

During Fiscal 2006, we incurred net pre-operative expenditure pending capitalization of Rs. 143.49 million.

During Fiscal 2006, our gross pre-operative expenditure pending capitalization was Rs. 144.82 million, primarily consisting of expenditure relating to consultant fees and related expenses.

Our pre-operative expenditure pending capitalization during Fiscal 2006 was offset by Rs. 1.33 million of interest income derived from short-term fixed deposits with banks.

We made provision for tax during Fiscal 2006 of Rs. 0.35 million, primarily consisting of provision for taxes related to interest income.

As on March 31, 2006, we had Rs. 1,616.18 million of pre-operative expenditure pending capitalization.

Fiscal 2005

Fixed Assets

During Fiscal 2005, our net block of fixed assets decreased by Rs. 0.12 million.

As of March 31, 2005, we had net block of fixed assets of Rs. 86.87 million, consisting of Rs. 58.44 million of land, Rs. 27.36 million of buildings and Rs. 1.07 million of office equipment, vehicles and furniture and fixtures.

Capital Work in Progress

During Fiscal 2005, our expenditure towards capital work in progress in Nil

As at March 31, 2005, we had capital work in progress of Rs. 223.46 million, consisting of Rs. 204.92 million of construction work in progress and Rs. 18.54 million of advances of a capital nature.

Pre-operative Expenditure Pending Capitalization

During Fiscal 2005, we incurred net pre-operative expenditures pending capitalization of Rs. 19.84 million.

During Fiscal 2005, our gross pre-operative expenditures pending capitalization were Rs. 25.66 million, primarily consisting of expenditure relating to travelling and conveyance, general and administrative charges and consultant fees and related expenses.

Our pre-operative expenditures pending capitalization during Fiscal 2005 were offset by Rs. 5.82 million of income consisting of miscellaneous and interest income derived from short-term fixed deposits with banks.

We made provision for tax during Fiscal 2005 of Rs. 0.81 million, primarily consisting of provisions for current taxes related to income for the period.

As on March 31, 2005, we had Rs. 1,472.69 million of pre-operative expenditure pending capitalization.

Liquidity and Capital Resources

Our primary sources of liquidity have been the amounts raised from equity contributions from our Promoter, BPCL, the Sanctioned Project Loan and debenture application money received from BPCL against a proposed issue of convertible debentures. For further details regarding the debenture applicable money received from BPCL, see the section "Capital Structure" beginning on page 30. As at March 15, 2008, we had received equity contributions, including from our Promoter, of Rs. 1,510.00 million and Rs. 9,000.00 million of debenture application money. As of March 15, 2008, we also had Rs. 14,154.30 million of outstanding borrowings under the Sanctioned Project Loan.

The development and construction of the Project is capital intensive. We have had limited or no operating cash flows since our inception. We expect to continue to experience limited cash flows from operating activities until we commence commercial operations. There can be no assurance that we will attain positive cash flows from operations in subsequent periods. Until sufficient cash flow is generated, we will be required to utilize our current and future capital resources to meet our cash flow requirements and we may need to issue additional securities or secure additional loans to complete the Project.

Cash flows

The table below sets forth our cash flows for our Fiscal years ended March 31, 2005, 2006 and 2007 and for the nine months ended December 31, 2007.

(in Rs. million)

	Fiscal			For the nine months ended December 31,
	2005	2006	2007	2007
Net cash generated from operating activities	-	-	-	-
Net cash used in investing activities	(96.40)	(170.40)	(3,543.79)	(12,529.59)
Net cash from financing activities	62.71	164.83	9,500.94	13,373.10
Net increase (decrease) in cash and cash equivalents	(33.69)	(5.57)	5,957.15	843.51

Net cash from operating activities

The Refinery has not yet commenced commercial operations and as a result our cash flows from operations for each of Fiscal 2005, 2006 or 2007 or for the nine months ended December 31, 2007 were Nil.

Net cash used in investing activities

Net cash flows used in investing activities for the nine months ended December 31, 2007 were Rs. 12,529.59 million. This principally reflected cash flows used in relation to capital work in progress.

Net cash flows used in investing activities for Fiscal 2007 were Rs. 3,543.79 million. This principally reflected cash flows used in relation to capital work in progress and pre-operative expenditure.

Net cash flows used in investing activities for Fiscal 2006 were Rs. 170.40 million. This principally reflected cash flows used in relation to pre-operative expenditure.

Net cash flows used in investing activities for Fiscal 2005 were Rs. 96.40 million. This principally reflected cash flows used in relation to pre-operative expenditure.

Net cash generated from financing activities

Net cash flows from financing activities for the nine months ended December 31, 2007 were Rs. 13,373.10 million. This principally reflected our new borrowings under the Sanctioned Project Loan.

Net cash flows from financing activities for Fiscal 2007 were Rs. 9,500.94 million. This principally reflected our receipt of debenture application money from BPCL.

Net cash flows from financing activities for Fiscal 2006 were Rs. 164.83 million. This principally reflected cash flows from BPCL on unsecured advances.

Net cash flows from financing activities for Fiscal 2005 were Rs. 62.71 million. This principally reflected cash flows from BPCL on unsecured advances.

Cash and cash equivalents

As at December 31, 2007, we had Rs. 6,803.09 million in cash and cash equivalents. We had cash and cash equivalents of Rs. 8.00 million at March 31, 2005, of Rs. 2.43 million at March 31, 2006 and of Rs. 5,959.58 million at March 31, 2007.

Historical and Planned Capital Expenditure

For further details see the section “Objects of the Issue” beginning on page 39.

Indebtedness

Sanctioned Project Loan

On June 23, 2006, we entered into the Sanctioned Project Loan agreements for Rs. 63,870.00 million between ourselves as borrowers and a consortium of financial institutions as senior lenders and BPCL as subordinate lender. The initial borrowing availability of the Sanctioned Project Loan was Rs. 60,900.00 million with respect to the Senior Lenders and Rs. 2,970.00 million with respect to BPCL. For further details see the section “Financial Indebtedness” beginning on page 200.

Off-Balance Sheet Arrangements

We believe that our Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenue or expenses, operating results, liquidity, capital expenditure or capital resources that is material to investors.

For a description of our contingent liabilities, see “Outstanding Litigations and Material Developments – Contingent Liabilities” beginning on page 205.

Letters of Credit

In the connection with the construction of the Project, we obtained letters of credit from financial institutions in denominations including US Dollars, Pounds Sterling, Euros and Rupees for the benefit of our vendors and suppliers towards payment guarantee against equipment, material and services as contracted to them.

Contractual Commitments and Commercial Obligations

The table below sets forth our contractual obligations, commercial commitments and principal payments scheduled as on December 31, 2007.

(in Rs. million)

Contractual Obligations	Payments due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt obligations	63,870.00	-	-	9,608.44	54,261.56
Capital leases	-	-	-	-	-
Operating leases	-	-	-	-	-
Purchase obligations	80,108.00	7,885.00	72,223.00	-	-
Other long-term liabilities	-	-	-	-	-
Total⁽¹⁾	143,978.00	7,885.00	72,223.00	9,808.44	54,261.56

(1) Excludes certain contingent or unascertainable payments, such as contingent liabilities and interest payments

Quantitative and Qualitative Disclosure about Market Risk

Prices of Crude Oil and Petroleum Products

Once the Project enters commercial operations, we will be subject to variations in the market prices for crude oil. We will also be subject to significant fluctuations in the prevailing industry practice determining the price of sales of petroleum products. In recent years, the prices of crude oil and petroleum products have fluctuated substantially. Due to a variety of factors, it is impossible to accurately predict future demand and supply trends and their impact on crude oil and petroleum product prices.

In addition, despite the fact that our sale prices for petroleum products will be influenced by the price of crude oil, an increase or decrease in the price of crude oil may not result in a corresponding increase or decrease in the price of sales of our petroleum products and the risk exists that the price of sales of our petroleum products will increase out of proportion to the price of crude oil. If such a corresponding increase or decrease in the price of sales of our petroleum products were to occur, any time lag between a change in the price of crude oil and the change in the prevailing industry practice determining the price of sales of petroleum products in India may nonetheless affect our profit margins.

For further details see the section “Risk Factors - The prices we will receive for our petroleum products under the Off-take Agreement, or otherwise, are subject to factors beyond our control” beginning on page xix and “Risk Factors - Significant or extended changes in demand and supply fundamentals for crude oil and for refined petroleum products may have a material impact on market prices for crude oil, as well as the prevailing industry practice determining the price of sales of refined products in India which could have a material adverse effect on our refining margins, business, results of operations and financial condition” beginning on page xxiv.

We intend to develop a hedging strategy in respect of the price of crude oil.

Exchange Rate Risk

We are exposed to foreign exchange risks as the value of the currency in which we incur our costs strengthens relative to the value of the currency in which we sell our products. Our operating costs and part of our sales prices for petroleum products under the Off-take Agreement are denominated in Rupees, but our costs for procurement of crude oil, other feedstocks and catalysts will be mainly incurred in US\$.

Our revenue will be substantially denominated in Rupees. When we incur non-Rupee currency obligations, any depreciation of the Rupee against such non-Rupee currencies will increase the Rupee cost to us of servicing and repaying our non-Rupee currency borrowings. As at December 31, 2007, our non-rupee currency borrowings outstanding were nil. We expect that we may incur indebtedness denominated in both Rupee and non-Rupee currencies in the future. For further details see the section “Risk Factors - Exchange rate fluctuations may have a material adverse effect on our business, results of operations and financial condition” beginning on page 186.

Interest Rate Risk

Interest rate risk arises when we are exposed to changes in the fair value of our interest rate sensitive financial instruments and borrowings, which arise from changes in market interest rates. After we commence commercial operations of the Refinery in 2010, our borrowings under the Loan Agreement will accrue interest at rates determined by reference to the prevailing rate of GoI securities at specified intervals, which may cause such interest rates to vary. We also expect we may incur additional floating rate obligations in the future. In addition, we will be exposed to interest rate risk if we refinance our existing or any future debt obligations. For further details see the section “Risk Factors - We are subject to risks arising from interest rate fluctuations, which could adversely affect our business, results of operations and financial condition” beginning on page 186.

Significant Developments Subsequent to December 31, 2007

- The use of the Debenture Application Money as Share Application Money was authorised by our Company further to a board resolution dated January 18, 2008. BPCL by a board resolution dated January 31, 2008 and a shareholders' resolution dated January 23, 2008 has also approved this conversion. It has been resolved that the Share Application Money will be utilised towards issuing Equity Shares to BPCL as set forth below:
 - (a) In order to comply with the SEBI Guidelines relating to minimum promoter's contribution, BPCL will be allotted such number of Equity Shares, which along with its existing shareholding and the preferential allotment as mentioned below, will constitute at least 20% of our post-Issue paid-up equity share capital. These Equity Shares will be issued at a price not less than the Issue Price at the time of Allotment.
 - (b) After the allocation of funds at the cap price for the issuance of such Equity Shares in accordance with sub-paragraph (b) above, BPCL will be issued Equity Shares at par against any remaining amount of the Share Application Money prior to the filing of the Red Herring Prospectus with the RoC.
- On February 5, 2008, our board of directors adopted a resolution permitting us to adopt the straight line method of depreciation.
- Further to a resolution passed at our Board Meeting held on March 20, 2008 it was resolved that:
 - (a) After the allotment of the Equity Shares against the Share Application Money as described above, if the shareholding of BPCL along with that of the GoMP is diluted below 50%, BPCL will subscribe further for the requisite number of Equity Shares at a price not less than the Issue Price pursuant to a preferential allotment.
 - (b) The entire amount towards such preferential allotment shall be brought in at least one day prior to the opening of the issue. However, an amount up to Rs. 5,000 million may be raised by us from BPCL in advance, as share application money, towards such preferential allotment, prior to the filing of the RHP with the RoC. Such amount would be utilised towards meeting the funding requirements of our Project and to ensure implementation of our Project in accordance with the schedule.

In our opinion, with the exception of the above mentioned significant developments, there has not arisen, since the date of the last financial statements disclosed in the Draft Red Herring Prospectus, any circumstance that materially or adversely affect or is likely to affect our profitability taken as a whole or the value of the assets or our ability to pay our material liabilities within the next 12 months.

Disclosure under Clause 6.10.5.5 of the SEBI Guidelines

Since the Company has not yet commenced commercial operation, no profit and loss accounts have been prepared in accordance with Indian GAAP and Clause 6.10.5.5 of the SEBI Guidelines shall not be applicable.

FINANCIAL INDEBTEDNESS

Domestic Secured Borrowings:

We have availed of a facility from a consortium of lenders aggregating Rs. 63,870,000,000 under the terms of the Sanctioned Project Loan. The total amount outstanding as on March 15, 2008 in relation to the facility under the Sanctioned Project Loan is Rs. 49,716,500,000. The details of the facility are as follows:

Name of Lender	Facility (Rs. in Million)	Amount drawn as on March 15, 2008 (Rs. in Million)	Amount available for draw down as on March 15, 2008 (Rs. in Million)	Interest Rate % (p.a.)*	Security Created**	Repayment Schedule
Senior Lenders						
Andhra Bank	1,500.00	332.40	1,167.60	8.50	<ul style="list-style-type: none"> Mortgage and charge over all our Company's immovable and movable properties and assets both present and future except current assets. Second charge on the current assets of our Company. Charge on all intangible assets including but not limited to good will, undertaking and uncalled capital of our Company. Charges/assignment of all cash flows of our Company from the Project or otherwise including the cash flows towards sales tax deferral granted by the State of Madhya Pradesh to the extent of Rs. 	The Senior loan facility is to be repayable in 32 equal installments for an amount of Rs. 1,903,125,000, payable every quarter beginning from March 31, 2012 up to December 31, 2019.
Bank of Baroda	5,000.00	1,108.00	3,892.00	8.50		
Bank of Maharashtra	1,000.00	221.60	778.40	8.50		
Canara Bank	3,500.00	775.70	2,724.30	8.50		
Central Bank of India	5,000.00	1,108.00	3,892.00	8.50		
Indian Bank	1,000.00	221.60	778.40	8.50		
Indian Overseas Bank	3,000.00	664.90	2,335.10	8.50		
Life Insurance Corporation of India	5,000.00	1,108.00	3,892.00	9.10		
Oriental Bank of Commerce	4,000.00	886.40	3,114.60	8.50		
Punjab National Bank	5,000.00	1,108.00	3,892.00	8.50		
State Bank of Hyderabad	1,500.00	332.40	1,167.60	8.50		
State Bank of India	7,500.00	1,662.10	5,837.90	8.50		
State Bank of Indore	1,500.00	332.40	1,167.60	8.50		
State Bank of Mysore	1,000.00	221.60	778.40	8.50		
State Bank of Patiala	3,000.00	664.90	2,335.10	8.50		
State Bank of Saurashtra	1,000.00	221.60	778.40	8.50		
The Jammu & Kashmir Bank Limited	2,500.00	554.00	1,946.00	8.50		

Name of Lender	Facility (Rs. in Million)	Amount drawn as on March 15, 2008 (Rs. in Million)	Amount available for draw down as on March 15, 2008 (Rs. in Million)	Interest Rate % (p.a.)*	Security Created**	Repayment Schedule
Union Bank of India	6,000.00	1,329.70	4,670.30	8.50	<ul style="list-style-type: none">Charge/assignment/ security interest of our Company under each of its project documents and the clearances required to be obtained by our Company under the Sanctioned Project Loan (to the extent assignable under applicable law).	2,500,000,000 a year.
United Bank of India	2,900.00	642.80	2,257.10	8.50		
Sub-total A	60,900.00	13,496.10	47,404.70			
Subordinate Lenders						
BPCL	2,970.00	658.20	2,311.80	8.50		The Subordinate loan facility is repayable in 32 equal instalments for an amount of Rs. 92,812,500, payable every quarter beginning from March 31, 2013 up to December 31, 2020.
Sub-total B	2,970.00	658.20	2,311.80			

Name Lender	of	Facility (Rs. in Million)	Amount drawn as on March 15, 2008 (Rs. in Million)	Amount available for draw down as on March 15, 2008 (Rs. in Million)	Interest Rate % (p.a.)*	Security Created**	Repayment Schedule
Total (A+B)		63,870.00	14,154.30	49,716.50			

* Under the terms of the Sanctioned Project Loan, from the Commercial Operation Date (as defined under the Sanctioned Project Loans) or from June 23, 2010, i.e. 48 months from the date of execution of the Sanctioned Project Loan, whichever is earlier, the interest rate shall be reset to a rate equal to a benchmark rate plus 1% p.a. with monthly rests, provided that such benchmark rate plus 1% exceeds current interest rate of 8.50%, failing which it shall continue to be 8.50%. The interest rate shall be reset every five years from the first reset date in the manner set forth above. However, with respect to the Life Insurance Corporation of India, the interest rate shall be a fixed rate of 9.10% p.a. with monthly rests. The benchmark rate is equal to the arithmetic daily average quoted benchmark yields of 5 years the GoI securities based on the Fixed Income Money Market and Derivatives Association of India's simple average of yield prevailing during 90 calendar days immediately preceding the date on which the interest is set.

** In terms of the Sanctioned Project Loan, BPCL shall be subordinate to the senior lenders in terms of the charge over security created by our Company for the facility.

1. Under the terms of the Sanctioned Project Loan, we have agreed not to undertake, *inter alia*, any of the below mentioned corporate actions without the prior written consent of the lenders or its facility agent:
 - Make any investments in any equity share capital of a company;
 - Issue any shares other than fully paid up shares;
 - Make any authorisation, declaration, or payment of dividends or distribution or returns of equity during the moratorium period for the facilities i.e the period of two years commencing from the last draw down; or during the continuation of an event of default under the terms of the Sanctioned Project Loan; or if the dividend declared is above 10% of the face value of the shares;
 - Make any redemption, retirement, purchase or other acquisition directly or indirectly of any shares of any class of its equity interests; or any options or warrants issued by our Company with respect to its equity interests, resulting in debt equity ratio exceeding 1.6:1;
 - Undertake any new project or expansion or carry on any business or activity other than with regards to the Project;
 - Set up any subsidiaries;
 - Issue any guarantee;
 - Revalue the assets and properties of our Company or wind-up or liquidate our Company's affairs;
 - Enter into any transaction for merger, consolidation, amalgamation or reorganization or sell or dispose, acquire any property or assets of any persons;
 - Create any further security interest or enter into any lease finance or lease any of its assets other than in the ordinary course of business;
 - Any modification or amendment of our Company's Memorandum and Articles of Association;
 - Prepay the principal or interest on any bonds issued by the GoMP at any time before 16 years from the date of issuance of such bonds, whether maturity, acceleration or otherwise;
 - Change the nature or scope of the Project;
 - Create any other security interest on any assets or revenue, whether present or future; and
 - Issue equity or preference capital or any securities convertible into or exchangeable for its equity or preference capital or any such similar rights, agreements or arrangements relating to its equity or preference capital except to the extent permitted under the finance documents.
2. As per the terms of the Sanctioned Project Loan, our Company cannot pay any commission to BPCL, Directors, managers or any affiliate in connection with such person furnishing any guarantee, counter-guarantee or indemnity on behalf of our Company or for any liability relating to or for the purposes of the Project.
3. Further, our Company cannot contract, create, incur, assume or suffer any indebtedness, except as provided under the Sanctioned Project Loan, and cannot enter into any additional

contracts, partnership, profit-sharing, management contracts or royalty agreement where our Company's income or profit is shared with any other person or whereby the business is managed or operated by any other person.

4. In terms of a deed of undertaking dated June 26, 2006 given by BPCL to our Company and the State Bank of India as agent of the lenders, BPCL shall not sell, transfer or in any way encumber its equity shareholding in our Company without the written consent of the lenders. Further, BPCL may hold less than 50% of the shares in our Company with the consent of the lender, provided it can exercise management control over our Company and exercise affirmative voting rights, in relation to matters affecting the performance of our Company's obligations under the Project documents and veto rights in relation to matters affecting the performance of our Company under the Sanctioned Project Loan documents until the settlement of the loan amount. Breach of this undertaking constitutes an event of default under the Sanctioned Project Loan. Under the terms of the Sanctioned Project Loan, if BPCL's shareholding in our Company falls below 50%, the lenders may require our Company to amend its constitutional documents to give BPCL the above affirmative rights and veto rights. Failure to do so will constitute an event of default under the Sanctioned Project Loan.
5. As per the terms of the Sanctioned Project Loan, the lenders have a right to appoint a nominee director on the Board of our Company while any monies under the facility are outstanding. Further, upon the occurrence of an event of default, the lenders have a right to appoint two nominee directors on the Board of our Company, in addition to any nominee director appointed by the lenders prior to such event of defaults.
6. Failure to commence commercial operations of the Project as scheduled as per the terms of the Sanctioned Project Loan constitutes an event of default and the lenders may, *inter alia*, declare all amounts due and payable by our Company to be due and payable immediately and appoint two whole time nominee directors on our Board, in addition to any nominee director appointed prior to such event of default.
7. In the event the GoMP fails to maintain or comply in all respects with the memoranda of understanding or perform its obligations including the grant of Fiscal assistance to our Company under any of the relevant documents, this shall constitute an event of default under the Sanctioned Project Loan.

Andhra Bank, pursuant to a letter dated February 7, 2008, Bank of Baroda, pursuant to a letter dated February 9, 2008, Bank of Maharashtra, pursuant to a letter dated February 7, 2008, Canara Bank, pursuant to a letter dated February 8, 2008, Central Bank of India, pursuant to a letter dated January 14, 2008, Indian Bank, pursuant to a letter dated February 5, 2008, Indian Overseas Bank, pursuant to a letter dated January 17, 2008, Life Insurance Corporation of India, pursuant to a letter dated February 8, 2008, Oriental Bank of Commerce, pursuant to a letter dated February 7, 2008, Punjab National Bank pursuant to a letter dated January 18, 2008, State Bank of Hyderabad, pursuant to a letter dated February 6, 2008, State Bank of India, pursuant to a letter dated February 7, 2008, State Bank of Indore, pursuant to a letter dated January 21, 2008, State Bank of Mysore, pursuant to a letter dated January 21, 2008, State Bank of Patiala, pursuant to a letter dated January 13, 2008, State Bank of Saurashtra, pursuant to a letter dated January 23, 2008, The Jammu & Kashmir Bank Limited, pursuant to a letter dated February 5, 2008, Union Bank of India, pursuant to a letter dated January 21, 2008, United Bank of India, pursuant to a letter dated February 7, 2008, and BPCL, pursuant to a letter dated February 5, 2008 have consented to BPCL's shareholding falling below 50%.

Unsecured Borrowings

Letter of Credit

We have availed of ten (10) letters of credit in various currencies including USD, Euro and Rupees, aggregating a total of Rs. 3,301,668,840, from third parties for purchasing certain materials and equipment for the Project.

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below, there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Directors, Promoter and Promoter Group Companies, and there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by our Company, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, Promoter or Directors. Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

Neither our Company nor the Promoter, members of the Promoter Group, and our Directors have been declared as wilful defaulters by the RBI or any other governmental authority and, except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by them in the past or pending against them.

Contingent Liabilities of our Company

<i>Rupees in million</i>	
As at December 31, 2007	
1. Claims against the Company not acknowledged as debts	
a) Additional amount claimed towards Right of Use/ Way of land	2.51
b) Additional amount claimed towards Crude Oil Terminal land by land owners which would add to cost of land to the extent payment is made (excluding solatium, interest, and cost of proceeding for the cases)	296.79
c) Additional amount claimed towards land for sectionalising valve station in Gujarat	0.63
d) Additional amount claimed towards refinery land at Bina	0.31
e) Amounts claimed by contractors in respect of which arbitration awards/ High Court judgements have been obtained in favour of the Company, against which the contractors have challenged the arbitration awards / High Court judgements in the respective High Courts/ Supreme Court	433.87
f) Disputed income tax demand	1.73
2. Bank guarantees	8.30
3. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	63,277.99

I. Litigation against our Company

A. Criminal litigation against our Company

Nil

B. Civil litigation against our Company

- Our Company had awarded a contract in favor of M/s Mantech Consultants (“**Mantech**”), for the purpose of RoU acquisition and obtaining statutory clearances for RoW for laying down cross country pipeline from Vadinar, Jamnagar District to Gujarat state border near Dahod for providing crude oil to our Refinery, pursuant to which our Company and Mantech had entered into an agreement dated October 1, 1996. However, differences arose between Mantech and us with respect to the invoices raised by Mantech. On referring the dispute to arbitration, Mantech in its statement of claims filed before the arbitrator on July 19, 2001 claimed that it was entitled to receive a sum of Rs. 133,055,270.54, which was withheld by our Company and further claimed an interest at the rate of 18% per annum from our Company. Our Company, in its reply, filed on September 29, 2001 denied all the allegations and further contended that as per the terms of the agreement, Mantech failed to obtain some of the requisite approvals for RoU and RoW within the time schedule agreed and accordingly our Company had the right to

withhold the amount claimed by Mantech. Our Company has claimed that as per the terms of the agreement Mantech is not entitled to any additional payment for the extra work done. The sole arbitrator after hearing both the parties passed an award in favour of our Company on August 17, 2006, stating that Mantech had not obtained all the requisite approvals for laying down the pipeline within the specified time and hence was not entitled to the payment under the agreement.

Aggrieved by the award of the sole arbitrator, Mantech filed an arbitration petition bearing No. 477 of 2006 before the High Court at Bombay challenging the award. In reply, we have filed an affidavit dated January 29, 2007 and an additional affidavit dated October 8, 2007 denying all allegations. The next date for hearing of the petition is yet to be notified.

2. Our Company had awarded a contract in favour of Mascon Multiservices and Consultants Private Limited (“**Mascon**”) for the purpose of RoU acquisition and obtaining statutory clearances for RoW for laying down cross country pipeline from Jhabua District in Madhya Pradesh to Bina for providing crude oil to our Refinery, pursuant to which our Company and Mascon had entered into an agreement dated December 30, 1996. However, differences arose between Mascon and us with respect to the payments, wherein Mascon alleged that our Company had withheld a sum of Rs. 274,199,844 due to it, for the work carried out. The dispute was referred to the sole arbitrator on August 15, 2001 as per the arbitration clause in the agreement. On March 10, 2006 Mascon filed an application before the arbitrator for termination of the arbitration proceedings on the grounds that the term of the arbitrator has expired. The arbitrator passed an order dated May 8, 2006 in favour of our Company, stating that Mascon had agreed to the extension of the tenure of arbitrator by continuing to participate in the arbitration proceedings until the filing of the termination application. Aggrieved by the order of the arbitrator, Mascon filed an arbitration petition bearing number 287 of 2006, before the High Court of Bombay challenging the order of the arbitrator and further alleged that the appointment mandate of the arbitrator stands terminated and has become ‘functus officio’, as the arbitrator did not complete the arbitration proceedings and publish the award as stipulated in the agreement within a period of three years which, had already ended on October 15, 2005 and accordingly, the arbitrator had no jurisdiction to decide the dispute. However, the High Court of Bombay, by an order dated November 15, 2006, appointed our Managing Director, Mr. R.P. Singh, as the arbitrator. Aggrieved by the decision of the High Court of Bombay, Mascon filed the special leave petition bearing no. 514 of 2007, before the Supreme Court of India, contending that the High Court had erred and failed to appoint an independent and impartial arbitrator. The Supreme Court on March 12, 2007 granted interim relief to Mascon stating that during the pendency of the special leave petition, the order of the High Court for the arbitration proceedings be stayed. During the final hearing held on December 6, 2007, the Supreme Court has remanded the matter back to the Bombay High Court. The matter has not been listed for hearing in the Bombay High Court and the next date of hearing is yet to be notified.
3. Our Company and Engineering Projects (India) Limited (“**EPL**”) entered into an agreement dated May 23, 1997, in terms of which our Company had awarded a contract in favour of EPL, for construction of two way approach road to our Refinery at Bina from state highway. During the course of the construction, disputes arose between EPL and us with respect to payments and as per the arbitration clause in the agreement, the dispute was referred to arbitration. EPL in its statement of claim filed before the arbitrator on May 7, 2002 claimed that it is entitled to receive a sum of Rs. 26,612,141 along with interest, which has been withheld by our Company. Our Company in its reply filed on July 29, 2002, denied all charges and alleged that the amount has been withheld as EPL failed to complete the work within the time schedule agreed and accordingly our Company had the right to withhold the amount. Our Company has further alleged that as per the terms of the agreement EPL is not entitled to any additional payment towards any extra work done. Our Company further contended that the reference of dispute to arbitration has been barred by limitation. EPL filed its rejoinder to the reply of our Company on August 28, 2002, contending that the arbitration is not barred by limitation. The sole arbitrator after hearing both the parties passed the award in favour of our Company on January 14, 2005, stating that the claims of EPL was barred by limitation and the arbitrator has no jurisdiction to entertain the dispute. Aggrieved by the said order of the sole arbitrator, EPL filed an arbitration petition No. 38 of 2006 before the High Court of Bombay

challenging the award passed by the arbitrator in our favor. In its order dated March 7, 2006, the High Court of Bombay upheld the award given by the sole arbitrator. Aggrieved by the said order of the High Court, EPL filed an appeal bearing No. 364 of 2006 dated April 15, 2006 before the High Court of Bombay challenging the said award. The next date for hearing of the petition is yet to be notified.

C. Proceedings initiated against the Company for economic offences

Nil

D. Tax litigation against our Company

1. Our Company had received an assessment order from the A.O. dated December 18, 1995 under Section 143(1)(a) of the IT Act, claiming that our Company had declared its total taxable income for the Assessment Year 1995- 1996, as nil, whereas the actual total income for that Assessment Year was Rs. 539,038 and was taxable under the head 'Income from Other Sources'. Accordingly, our Company as per the assessment order paid a tax of Rs. 330,754 as demanded by the A.O, which was inclusive of additional tax at 20%. Aggrieved by the order of the A.O. we filed an appeal before the CIT(A), Bhopal. The CIT(A), Bhopal by an order dated February 12, 1996 upheld the order of the AO. Our Company filed an appeal before the ITAT, which again upheld the order of CIT (A), Bhopal pursuant to its order dated February 12, 1996. Aggrieved by the order of the ITAT, we filed an appeal (Income Tax Appeal No. 6 of 2001) on August 7, 2001, before the High Court of Jabalpur, Madhya Pradesh, against the order passed by ITAT. The appeal has been admitted before the High Court of Madhya Pradesh, Jabalpur, and the next date of hearing is yet to be notified.
2. Further in relation to the aforementioned case, we received another assessment order dated February 16, 1998 from the A.O. under Section 143(3) of the IT Act for the Assessment Year 1995- 1996, stating that the interest income is taxable under the head 'Income from Other Sources'. Our Company as per the applicable provisions of IT Act was entitled to file an appeal against the order of the A.O within a period of one month from the date of receipt of assessment order. However our Company filed an appeal before the CIT(A), after a delay of four months. The CIT(A) by an order dated September 20, 2002 dismissed the appeal of our Company on the ground that the appeal was filed after a delay of four months. Aggrieved by the order of the CIT(A) our Company filed an appeal before the ITAT, claiming that, since we had already filed an appeal against the Assessment Order dated December 18, 1995, issued under Section 143(1)(a) of the IT Act for the Assessment Year 1995 -1996, discussed in serial number 1 above, which is on the same grounds as stated in the assessment order dated February 16, 1998 issued under Section 143(3) of the IT Act, no second appeal was required to be filed against the notice issued by the A. O. The ITAT by an order dated August 29, 2006 upheld the order of the CIT(A). Aggrieved by the order of the ITAT, our Company has filed an appeal, bearing M.A.I.T. No 175 of 2006 on December 12, 2006, before the High Court of Madhya Pradesh, Jabalpur against the order passed by ITAT. Our Company has already paid the tax amount and has filed an appeal claiming a refund of the same by the tax authorities. The appeal has been admitted before the High Court of Madhya Pradesh at Jabalpur, and the next date of hearing is yet to be notified.
3. Our Company has filed an appeal, bearing No. 44 of 2007 on May 1, 2007, before the CIT(A), Bhopal, against the penalty order passed by the ACIT, dated March 23, 2007, under Section 271(1)(c) of the IT Act, with respect to the Assessment Year 2000-2001. The ACIT had issued an order directing our Company to pay a penalty of Rs. 970,000, on the grounds that our Company had not disclosed an amount of Rs. 1,680,426, as interest earned on the deposit with State Bank of Patiala. Our Company has already paid the tax amount and is claiming a refund of the same. The next date of hearing is yet to be notified.
4. Our Company has filed an appeal, bearing No. 43 of 2007 , on May 1, 2007, before the CIT(A), Bhopal, against the penalty order passed by the ACIT, dated March 23, 2007, under Section 271(1)(c) of the IT Act, with respect to the Assessment Year 2002-2003. The ACIT had issued an order directing our Company to pay a penalty of Rs. 750,000 on the grounds that our Company had not disclosed an amount of Rs. 1,383,651, as interest earned on the

deposit with State Bank of Patiala. Our Company has already paid the tax amount and is claiming a refund. The next date of hearing is yet to be notified.

5. Our Company has filed an appeal before the CIT(A), Bhopal on January 29, 2008, against the assessment order passed by ACIT, dated December 7, 2007 under Section 143(3) of the IT Act, with respect to the Assessment Year 2005-06. The ACIT had issued an order directing our Company to pay an amount of Rs. 1,730,132 on the ground that, the miscellaneous income of Rs. 3,681,538 for recovery of rent and hire charges from employees and recovery from contractors towards liquidated damages for delayed completion of contracts are taxable as "Other Income", while the Company had contended that these recoveries in effect are towards the capital receipt to be adjusted from the capital cost of the Project. The next date of hearing is yet to be notified.
6. Our Company had received an assessment order from the A.O dated March 16, 2000 under Section 143(3) of the IT Act, for the Assessment Year 1997-1998, stating that our Company had earned an interest income of Rs. 6,929,280 and is liable to be taxed under the head "Income from Other Sources" and the same cannot be set off as pre-operative expenses as the Company has not yet commenced any manufacturing and trading activities. Our Company filed an appeal before the CIT(A), Bhopal to set aside the order of the A.O. The CIT(A), Bhopal by an order dated February 5, 2003 upheld the order of the A.O. Aggrieved by the order of CIT(A), Bhopal, our Company filed an appeal before the ITAT, Indore. The ITAT, Bhopal by an order dated August 14, 2006 upheld the order of CIT(A), Bhopal. Aggrieved by the order of ITAT, Bhopal our Company has filed an appeal bearing M.A.I.T No. 178 of 2006 before the High Court of Madhya Pradesh, Jabalpur. The next date of hearing is yet to be notified.
7. Our Company has filed an appeal before the CIT(A), Bhopal on March 2, 2007 against the assessment order of the ACIT dated December 29, 2006 for the Assessment Year 2004-2005 under Section 143(3) of the IT Act, contending that the ACIT should not have considered Rs. 257,050 (towards the difference in interest accounted in books of account and attached TDS certificates), Rs. 718,323 (which is a capital receipts) and Rs. 44,640 (for house/furniture rent recoveries) as taxable income. The next date of hearing is yet to be notified.

E. Arbitration proceedings against our Company

Nil

F. Proceedings initiated by regulatory authorities

Nil

G. Details of past penalties imposed on the Company

Nil

H. Notices received by our Company

1. The ACIT, Bhopal has issued a notice to our Company, dated December 7, 2007 for the Assessment Year 2005-2006, under Section 274 read with Section 271 of the IT Act to appear before him on January 23, 2008, to show cause why an order imposing penalty on the Company should not be made under Section 271 of the IT Act, as the Company had furnished inaccurate information in its returns filed. The next date of hearing is yet to be notified.

I. Cases filed by our Company

1. Our Company has filed an appeal dated March 18, 2004, bearing FA No.194 of 2004 before the High Court of Madhya Pradesh at Jabalpur, challenging the order dated December 22, 2003 passed by the Additional District Judge, Bhopal in a suit for declaration and injunction,

namely R.C.S. No.79. Such suit had been filed by one of our Company's employees, Mr. Ashish Chellani, on September 7, 2001, challenging the termination of his services by our Company. Mr. Chellani had contended that he had been dismissed arbitrarily and in contravention of the principles of natural justice. Pursuant to an order dated December 22, 2003, the Additional District Judge, Bhopal held that the termination of Mr. Chellani's services by our Company was null and void and directed the reinstatement of Mr. Chellani in the employment of our Company.

2. Our Company has filed a writ petition dated March 7, 2008, bearing petition no. 3094 of 2008 before the High Court of Madhya Pradesh at Jabalpur, challenging the order dated January 23, 2008 passed by Deputy Labour Commissioner cum Cess Assessing Officer whereby an amount of Rs. 359,993,735 has been levied on our Company and the contractors with whom our Company has entered into an agreement for the purpose of the construction work at the Refinery. The Deputy Labour Commissioner interpreted the provisions regarding levy and collection of cess on cost of construction incurred by "employer" within the meaning of Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 to include our Company, whereas our Company contended that by virtue of the agreement entered into with the contractors, only the relevant contractors shall constitute "employer" for the purpose of the extant regulation. The High Court has, pursuant to its order dated March 12, 2008, stayed further proceedings for recovery of the cess in pursuance of the order dated January 23, 2008.

J. Litigation against our Directors

Nil

K. Project related litigation

The land related to our Refinery at Bina and the COT at Gujarat has been acquired pursuant to the provisions of Land Acquisition Act, 1894. The land for the Project has been acquired, directly from private parties either by BPCL/our Company or has been acquired by the Government of Gujarat and GoMP and subsequently transferred either to BPCL/our Company. For further details on the property of our Company, see the section "Our Business" beginning at page 69. There are a number of proceedings initiated against BPCL and our Company with respect to payment of compensation on acquisition of land under the Land Acquisition Act, 1894 and the Pipeline Act. As of January 20, 2008 there are 64 cases relating to land disputes pending against our Company and BPCL with respect to the Project. These cases are pending in the courts in Gujarat and Madhya Pradesh. Further, 55 out of the 64 cases have been instituted against BPCL, as the land has been acquired by the Government of Gujarat and the GoMP on behalf of BPCL for the Project and the remaining 9 cases have been filed against our Company.

The details of the litigation are discussed below:

Litigation related to compensation under the Land Acquisition Act, 1894 filed against BPCL

Gujarat

- a. As on the date of filing this DRHP there are 53 cases pending against BPCL in relation to the land acquired for setting up the COT and the valve station in relation to the Project out of which 51 cases are pending before the District Judge at Jamnagar, Gujarat and 2 cases before the Kheda District Court, Gujarat. These cases have been filed by the land owners with respect to payment of compensation for the land acquired pursuant to the provisions of the Land Acquisition Act, 1894, as amended, by the Government of Gujarat on behalf of BPCL. The suits have been filed by the land owners on the grounds that the amount of compensation paid for acquisition of the land is inadequate and not as per the market value of the land. The total disputed amount is Rs. 297,500,000.

Madhya Pradesh

- b. As on the date of filing this DRHP, there are 2 cases pending against BPCL out of which, 1 is pending before the High Court of Madhya Pradesh, Jabalpur and the other is pending before the Tehsildar Court at Bina, Madhya Pradesh. These cases have been filed by the land owners with respect to payment of compensation on the land acquired under the Land Acquisition Act, 1894, as amended, by the GoMP on behalf of BPCL for the Refinery. All the land for the Refinery has been acquired and registered in the name of BPCL and hence all the cases have been filed against the GoMP and BPCL has also been named as a party to the suits. The suits have been filed by the land owners on the grounds that the amount of compensation paid for acquisition of the land is inadequate and not as per the market value of the land. The total disputed amount is Rs. 305,600.

Litigation related to compensation under the Petroleum and Mineral Pipelines (Acquisition of Right of User in Land) Act, 1962, filed against our Company

Gujarat

As on the date of filing this DRHP, there are a total of 8 cases pending against our Company, before the District Judge of Jamnagar, filed by the land owners. The total disputed amount is Rs. 2,506,938. The details of the litigation are as follows:

Sr. No.	Appeal No. /Case No.	Date/Assessment Year	Plaintiff/Petitioner / Complainant/ Applicant	Defendant /Respondent	Name & Address of the Court /Arbitration Panel	Amount under consideration	Brief description of case.	Status
1.	Civil Miscellaneous Application No. 23 of 1999	February 1999	Mr. Natubha Hamirji Jadeja	Competent Authority and Deputy Collector of BORL, Union of India Petroleum Department and Competent Authority, Deputy Collector of Rajkot	District Court of Jamnagar	Rs.72,797	The applicant had filed an application before the District Judge of Jamnagar, alleging that the Competent Authority had undervalued the value of land at the time of payment of compensation for acquiring a right of use over the land for laying down of the pipeline for the Refinery. The Competent Authority and Deputy Collector of BORL has in its reply dated June 1999, stated that the compensation has been paid as per the applicable provisions of Section 10(4)	The case is yet to be listed for hearing.

Sr. No.	Appeal No. /Case No.	Date/Assessment Year	Plaintiff/Petitioner / Complainant/ Applicant	Defendant /Respondent	Name & Address of the Court /Arbitration Panel	Amount under consideration	Brief description of case.	Status
							of the Petroleum and Mineral Pipelines (Acquisition of Right of User in Land) Act, 1962, as amended, which states that compensation shall be paid at the rate of 10% of the market value of the land to be acquired for a right of use, and further that our Company had not acquired the ownership of the land.	
2.	Civil Miscellaneous Application No.24 of 1999	February 1999	Mr. Natubha Hamirji Jadeja	Competent Authority and Deputy Collector of BORL, Union of India Petroleum Department and Competent Authority, Deputy Collector of Rajkot	District Court of Jamnagar	Rs. 56,218	The applicant had filed an application before the District Judge of Jamnagar, alleging that the Competent Authority had undervalued the value of land at the time of payment of compensation for acquiring a right of use over the land for laying down of the pipeline for the Refinery. The Competent Authority and Deputy Collector of BORL has in its reply dated June 1999, stated that the compensation has been paid	The case is yet to be listed for hearing.

Sr. No.	Appeal No. /Case No.	Date/Assessment Year	Plaintiff/Petitioner / Complainant/ Applicant	Defendant /Respondent	Name & Address of the Court /Arbitration Panel	Amount under consideration	Brief description of case.	Status
							as per the applicable provisions of Section 10(4) of the Petroleum and Mineral Pipelines (Acquisition of Right of User in Land) Act, 1962, as amended, which states that compensation shall be paid at the rate of 10% of the market value of the land to be acquired for a right of use, and further that our Company had not acquired the ownership of the land.	
3.	Civil Miscellaneous Application No. 25 of 1999	February 1999	Mr. Natubha Hamirji Jadeja	Competent Authority and Deputy Collector of BORL, Union of India Petroleum Department and Competent Authority, Deputy Collector of Rajkot	District Court of Jamnagar	Rs. 98,836	The applicant had filed an application before the District Judge of Jamnagar, alleging that the Competent Authority had undervalued the value of land at the time of payment of compensation for acquiring a right of use over the land for laying down of the pipeline for the Refinery. The Competent Authority and Deputy Collector of BORL has in its reply dated June	The case is yet to be listed for hearing.

Sr. No.	Appeal No. /Case No.	Date/Assessment Year	Plaintiff/Petitioner / Complainant/ Applicant	Defendant /Respondent	Name & Address of the Court /Arbitration Panel	Amount under consideration	Brief description of case.	Status
							1999, stated that the compensation has been paid as per the applicable provisions of Section 10(4) of the Petroleum and Mineral Pipelines (Acquisition of Right of User in Land) Act, 1962, as amended, which states that compensation shall be paid at the rate of 10% of the market value of the land to be acquired for a right of use, and further that our Company had not acquired the ownership of the land.	
4.	Civil Miscellaneous Application No. 26 of 1999	February 1999	Mr. Ratan Sang Unadji	Competent Authority and Deputy Collector of BORL, Union of India Petroleum Department and Competent Authority, Deputy Collector of Rajkot	District Court of Jamnagar	Rs. 109,608	The applicant had filed an application before the District Judge of Jamnagar, alleging that the Competent Authority had undervalued the value of land at the time of payment of compensation for acquiring a right of use over the land for laying down of the pipeline for the Refinery. Competent Authority and Deputy Collector of	The case is yet to be listed for hearing.

Sr. No.	Appeal No. /Case No.	Date/Assessment Year	Plaintiff/Petitioner / Complainant/ Applicant	Defendant /Respondent	Name & Address of the Court /Arbitration Panel	Amount under consideration	Brief description of case.	Status
							BORL has in its reply dated June 1999, stated that the compensation has been paid as per the applicable provisions of Section 10(4) of the Petroleum and Mineral Pipelines (Acquisition of Right of User in Land) Act, 1962, as amended, which states that compensation shall be paid at the rate of 10% of the market value of the land to be acquired for a right of use, and further that our Company had not acquired the ownership of the land.	
5.	Civil Miscellaneous Application No 29 of 1999	March 1999	Mr. Hulasba Vikramsinh	Competent Authority and Deputy Collector of BORL, Union of India Petroleum Department and Competent Authority, Deputy Collector of Rajkot	District Court of Jamnagar	Rs. 60,641	The applicant had filed an application before the District Judge of Jamnagar, alleging that the Company had undervalued the value of land at the time of payment of compensation for acquiring an right of use over the land for laying down of the pipeline for the Refinery. The	The case is yet to be listed for hearing.

Sr. No.	Appeal No. /Case No.	Date/Assessment Year	Plaintiff/Petitioner / Complainant/ Applicant	Defendant /Respondent	Name & Address of the Court /Arbitration Panel	Amount under consideration	Brief description of case.	Status
							Competent Authority and Deputy Collector of our Company has in its reply dated June 1999 stated that the compensation has been paid as per the applicable provisions of Section 10(4) of the Petroleum and Mineral Pipelines (Acquisition of Right of User in Land) Act, 1962, as amended, which states that compensation shall be paid at the rate of 10% of the market value of the land to be acquired for a right of use, further our Company had not acquired the ownership of the land.	
6.	Civil Miscellaneous Application No.30 of 1999	March 12, 1999	Mr. Ranjitsinh Dilubha	Competent Authority and Deputy Collector of BORL, Union of India Petroleum Department and Competent Authority, Deputy Collector of Rajkot	District Court of Jamnagar	Rs.60,845	The applicant had filed an application before the District Judge of Jamnagar, alleging that the Competent Authority had undervalued the value of land at the time of payment of compensation for acquiring a right of use over the land for laying	The case is yet to be listed for hearing.

Sr. No.	Appeal No. /Case No.	Date/Assessment Year	Plaintiff/Petitioner / Complainant/ Applicant	Defendant /Respondent	Name & Address of the Court /Arbitration Panel	Amount under consideration	Brief description of case.	Status
							down of the pipeline for the Refinery. Competent Authority and Deputy Collector of BORL has in its reply dated June 1999, stated that the compensation has been paid as per the applicable provisions of Section 10(4) of the Petroleum and Mineral Pipelines (Acquisition of Right of User in Land) Act, 1962, as amended, which states that compensation shall be paid at the rate of 10% of the market value of the land to be acquired for a right of use, and further that our Company had not acquired the ownership of the land.	
7.	Land Reference Case No. 61 of 1999	March 15, 1999	Mr. Mangaldas Jesangji through his power of attorney holder, Mr.Hargovind Gordhandas Tanna	BORL and State of Gujarat	District Court of Jamnagar	Rs. 802,826	The applicant had filed an application before the District Judge of Jamnagar, alleging that the Competent Authority had undervalued the value of land at the time of payment of compensation for acquiring	The case is yet to be listed for hearing.

Sr. No.	Appeal No. /Case No.	Date/Assessment Year	Plaintiff/Petitioner / Complainant/ Applicant	Defendant /Respondent	Name & Address of the Court /Arbitration Panel	Amount under consideration	Brief description of case.	Status
							a right of use over the land for laying down of the pipeline for the Refinery. Our Company has in its reply dated September 1999, stated that the compensation has been paid as per the applicable provisions of Section 10(4) of the Petroleum and Mineral Pipelines (Acquisition of Right of User in Land) Act, 1962, as amended, which states that compensation shall be paid at the rate of 10% of the market value of the land to be acquired for a right of use, and further that our Company had not acquired the ownership of the land.	
8.	Land Reference Case No. 62 of 1999	March 15, 1999	Mr. Mangaldas Jesangji through his power of attorney holder, Mr.Hargovind Gordhandas Tanna	BORL	District Court of Jamnagar	Rs. 1,245,167	The applicant had filed an application before the District Judge of Jamnagar, alleging that the Competent Authority had undervalued the value of land at the time of payment of compensation	The case is yet to be listed for hearing.

Sr. No.	Appeal No. /Case No.	Date/Assessment Year	Plaintiff/Petitioner / Complainant/ Applicant	Defendant /Respondent	Name & Address of the Court /Arbitration Panel	Amount under consideration	Brief description of case.	Status
							for acquiring a right of use over the land for laying down of the pipeline for the Refinery. The Competent Authority and Deputy Collector of BOREAL has in its reply dated September 1999, stated that the compensation has been paid as per the applicable provisions of Section 10(4) of the Petroleum and Mineral Pipelines (Acquisition of Right of User in Land) Act, 1962, as amended, which states that compensation shall be paid at the rate of 10% of the market value of the land to be acquired for a right of use, and further that our Company had not acquired the ownership of the land.	

Litigation related to compensation under the Land Acquisition Act, 1894 filed against our Company

Madhya Pradesh

Sr. No.	Appeal No. /Case No.	Date/Assessment Year	Plaintiff/Petitioner / Complainant/ Applicant	Defendant /Respondent	Name & Address of the Court /Arbitration Panel	Amount under consideration	Brief description of case	Status
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Sr. No.	Appeal No. /Case No.	Date/Assessment Year	Plaintiff/Petitioner / Complainant/ Applicant	Defendant /Respondent	Name & Address of the Court /Arbitration Panel	Amount under consideration	Brief description of case	Status
1.	Writ Petition No: 13216	November 21, 2007	Mr. Pradeep Kumar Sharma	BORL	High Court of Madhya Pradesh, Jabalpur	Nil	The State of Madhya Pradesh had acquired the land owned by Mr. Pradeep Kumar Sharma on behalf of our Company for the Refinery Project under the Land Acquisition Act, 1894, as amended. Mr. Pradeep Kumar Sharma, has filed a petition before the High Court of Madhya Pradesh, Jabalpur, requesting the court to issue a writ in the nature of certiorari, mandamus and prohibition against our Company directing it to provide employment and financial assistance to the petitioner and his family as he has been deprived of his sole source of livelihood on acquisition of the land.	The case is yet to be listed for hearing.

V. Litigation against our Promoter

In respect of BPCL, all criminal proceedings, contempt proceedings, proceedings under the MRTTP Act and proceedings in relation to the Standards of Weights & Measures Act, 1976, as amended, have been disclosed below. In respect of other litigation, such litigation which involves an amount of Rs.10,000,000 or more has been disclosed.

The total number of cases against BPCL involving an amount less than Rs. 10,000,000 is 2,545 and the aggregate amount under consideration in such cases is Rs. 1,123,300,000.

The total number of cases initiated by BPCL involving an amount less than Rs. 10,000,000 is 492 and the aggregate amount under consideration in such cases is Rs. 995,600,000.

Arbitration Proceedings against BPCL

S. No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant/Claimant	Defendant/Respondent	Name & Address of the Court/ Arbitration Panel	Amount under Consideration (in Rs.)	Brief Description of the case	Present Status
1	-	2003	Prathima Industries Private Limited	BPCL	Mr. U. N. Joshi, Arbitrator	11,901,780	BPCL and the claimant had entered into agreements dated May 1, 1999 and March 29, 2000 for supply of	The next date of hearing is yet to be notified.

S. No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant/Claimant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under Consideration (in Rs.)	Brief Description of the case	Present Status
							LPG cylinders to BPCL. However, differences arose between the parties over payment of price and in accordance with the arbitration clause in the agreement, the dispute was referred to arbitration.	
2	-	2007	M/s. Ma Monosa Transport Limited	BPCL	Mr. Amitrajit Bhattacharya, Arbitrator	18,226,164	The claimant was hired by BPCL for transportation purposes but was blacklisted with effect from September 1, 2005. The claimant disputed such action for blacklisting and the dispute was referred to arbitration. The claimant also claimed a mandatory direction to BPCL to release their tank lorries and allow them to participate in all tender during the pendency of the arbitration, commission, injunction and attachment. BPCL filed a reply to the claimant's claim and also filed a counter claim against the claimant on December 7, 2007 for losses & loss of reputation and costs for litigation aggregating to Rs. 11,901,780.	The next date of hearing is yet to be notified.
3	-	2004	Delhi Gate Auto Service Station	BPCL	Mr. U. N. Joshi, Arbitrator	72,241,000	The dealership of the claimant was terminated by BPCL in August 2002 on account of various irregularities on part of the claimant. The claimant approached the Delhi High Court challenging such termination. The High Court directed BPCL to give the claimant a chance of hearing. Accordingly, BPCL issued a show cause notice and after considering the claimant's reply, the dealership was terminated on August 20, 2004 and retail	The next date of hearing is yet to be notified.

S. No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant/Claimant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under Consideration (in Rs.)	Brief Description of the case	Present Status
							outlets of the claimant were taken over. Aggrieved by the said action, the claimant referred the dispute for arbitration claiming restoration of its dealership or payment of the amount under consideration as damages.	
4	-	2001	Suburban Industries Limited	BPCL	Mr. A. C. Sen, Arbitrator	88,908,807	The claimant had entered into agreement with BPCL for supply of cylinders. However, the disputes arose between the parties regarding the price of the cylinders to be refunded to the claimant and the dispute was referred to arbitration. The claimant claimed that the price alleged to be refundable for cylinders supplied during the period from July 1, 1999 to March 31, 2000 was wrongly recovered by BPCL from the price payable for cylinders supplied between April 1, 2000 and March 31, 2001.	BPCL has conveyed its no objection to the arbitrator passing the award while Suburban Industries contended that the arbitrator's mandate has expired and the award cannot be passed. The next date of hearing is yet to be notified.
5	Petition no. 331	2003	The Great Eastern Shipping Co. Limited	BPCL	Justice Mr. M.J. Rao (Retd.) and Others	94,047,686	The claimant and BPCL entered into an agreement for letting a vessel on hire. However, certain disputes arose between the parties over payment for utilization of the vessel and the claimant filed a petition in the Supreme Court of India. The Supreme Court of India thereafter appointed Justice M.J. Rao, Justice D.P. Wadhwa and Justice S.N. Variava as arbitrators for adjudication of the matter.	The next date of hearing is yet to be notified.
6	-	2006	TPS Builders Limited	BPCL (Kochi Refinery)	Mr. S Devidharan, Arbitrator	100,000,000	The claimant entered into an agreement with BPCL for fabrication and installation of piping in FCC unit and related offsites. The claimant did not	The next date of hearing is yet to be notified.

S. No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant/Claimant	Defendant/Respondent	Name & Address of the Court/ Arbitration Panel	Amount under Consideration (in Rs.)	Brief Description of the case	Present Status
							complete the work as per the agreed time schedule and therefore, as per the terms of the agreement, BPCL procured the completion of the work from other sources at the risk and cost of the claimant. The claimant claimed additional amount but the same was refuted by BPCL due to their contractual non-tenability. The claimant referred the dispute to arbitration.	
7	-	2007	Reliance Energy Limited	BPCL (Kochi Refinery)	Mr. M K Manoharan, Arbitrator	112,400,000	The claimant had entered into an agreement with BPCL in relation to the electrical distribution revamp project of BPCL. However, on account of certain disputes in relation to the completion of work as per the time schedule whereby BPCL deducted liquidated damages worth Rs. 35,000,000, the claimant referred the dispute to arbitration and claimed refund of liquidated damages and extra works and also filed an application praying for an interim order for the release of the final bill amounting to Rs.3,047,010.59 which amount had been paid by the claimant to BPCL. In the hearing on February 26, 2008, the arbitrator directed BPCL to pay admitted amount towards the bills and extra items after statutory deductions before March 15, 2008, the payment of which under process.	The next date of hearing is yet to be notified.
8	-	2001	National Gas Service Limited	BPCL	Mr. U. N. Joshi, Arbitrator	217,409,802	The claimant had entered into an agreement with BPCL to provide bulk transportation of LPG.	The next date of hearing is yet to be notified.

S. No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant/Claimant	Defendant/Respondent	Name & Address of the Court/ Arbitration Panel	Amount under Consideration (in Rs.)	Brief Description of the case	Present Status
							However, differences arose between the claimant and BPCL on account of transportation charges and the claimant referred the dispute to the arbitrator and filed a statement of claim on October 3, 2001. The arbitrator passed the order in favour of BPCL. Subsequently, the claimant filed a special leave petition in the Supreme Court on October 19, 2006.	
9	-	2006	Larsen & Toubro Limited	BPCL (Kochi Refinery)	Mr. N Rajagopalan Nair, Arbitrator	939,268,959	The claimant had entered into an agreement with BPCL to the in relation to setting up a project for BPCL. However, on account of certain disputes in March 24, relation to the completion of the work on March 22, whereby BPCL 2008 had deducted liquidated damages, the claimant referred the dispute to the arbitrator and filed the claim statement on April 24, 2007. BPCL, in its reply, denied the claim stating that such claim was barred by limitation and contractual non-liability. Meanwhile, the parties are considering amicable settlement through mutual discussions.	BPCL was to file its reply to the rejoinder filed by the claimant by March 24, 2008. BPCL on March 22, 2008 had requested the sole arbitrator to grant another three months time to file our reply to rejoinder.
10	-	2007	Newton Engineering & Chemicals Limited	BPCL	Mr. V. N. Rao, Arbitrator	227,603,023	The claimant was awarded a contract for modernization of the refinery with an estimated value of Rs.212,947,376 to be completed on January 9, 2004. The work under this contract was not completed by the claimant within the stipulated time and the disputes between the parties arising out of the contract were referred to arbitration. The claimant filed its claim on October 1,	The next date of hearing is yet to be notified.

S. No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant/Claimant	Defendant/Respondent	Name & Address of the Court/ Arbitration Panel	Amount under Consideration (in Rs.)	Brief Description of the case	Present Status
							2007 amounting to Rs. 227,600,000 including refund of security deposit, bank guarantees etc. while BPCL filed its reply and counter claim for Rs. 23,364,976 on December 7, 2007.	
11	-	2007	A. P. Moller-Maersk Group	BPCL	Arbitrator being appointed	32,102,600	The claimant had entered into a voyage charter agreement with BPCL. However, certain differences arose between the parties in relation to the payment of demurrage. The claimant referred the dispute to arbitration and pursuant to a statement of claim, claimed payment of demurrage.	The next date of hearing is yet to be notified.
12	-	2007	Ace Pipeline	BPCL	Mr. P. S. Bhargava, Arbitrator	140,718,000	The claimant entered into an agreement with BPCL regarding laying of a pipeline. However, disputes arose between the parties over the payments in relation to the pipeline and the matter was referred to arbitration. The claimant filed a claim alleging that an amount in addition to the amount quoted and duly accepted in the tender process had to be spent since the terrain for laying the pipeline was actually different from that indicated in the tender documents. The claimant also claimed interest at a rate of 18% p.a. from the date of the cause of action till date. BPCL, in its reply, denied the claim and stated that the responsibility to verify the situation was on the tenderer as per the tender. Further, BPCL also filed a counter claim for Rs. 128,066,370.47 together with interest	The next date of hearing is yet to be notified.

S. No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant/Claimant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under Consideration (in Rs.)	Brief Description of the case	Present Status
							at a rate of 18% pa. on the ground of extra cost due to delay in completion of pipeline and alternate transport in lieu thereof and also for additional cost incurred in overstay of staff to supervise the RoU restoration.	
13	-	2006	Keerthi Travels	BPCL	Mr. N. Govindrajan, Arbitrator,	11,858,664	BPCL had hired the applicant, Keerthi Travels for transportation of certain items. BPCL had deducted certain amount during the time of payment, stating that they had paid excess amount to the applicant. The applicant has referred the dispute to the arbitrator claiming refund of the amount illegally and unilateral deducted by BPCL and claiming additional damages. BPCL has filed its reply to the claim.	The next date of hearing is April 10, 2008.

Arbitration Proceedings by BPCL

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant/Claimant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
1	N.A.	1997	BPCL	Vikram Carriers	Mr. A. Krishnaswamy, Arbitrator	11,176,145	BPCL entered into an agreement with the respondent for transportation of its products. However, the respondent allegedly charged BPCL an amount in excess of the mutually agreed amount and the matter was referred to arbitration. BPCL filed a statement of claim and the respondent, in its reply, has filed a counter-claim. BPCL has filed a rejoinder.	The next date of hearing is yet to be notified.
2	-	1997	BPCL	Swastik Transport	Mr. A. R. Sarkar, Arbitrator	4,760,200	BPCL entered into an agreement with the respondent for transportation of its products. However,	The next date of hearing is yet to be notified.

S.No	Appeal No./Case No.	Year	Plaintiff/ Petitioner/ Complainant/ Applicant/Claimant	Defendant/ Respondent	Name & Address of the Court/ Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
							dispute arose between the parties over the alleged non-delivery of the product by the respondent to certain locations and the matter was referred to arbitration. BPCL filed a statement of claim non delivery and adulteration of the product for Rs. 1,503,000 along with an interest. The respondent, in its reply, has filed a counter claim for the blacklisting order issued by BPCL, for Rs. 50,840,000.	
3	N.A.	1997	BPCL	Chhama Transport	Mr. N. Haran, Arbitrator	12,199,843	BPCL entered into an agreement with the respondent for transportation of various products. However, dispute arose between the parties over the alleged loss of product and excess transportation charges collected by the respondent and the matter was referred to arbitration. BPCL filed a statement of claim for damages. The respondent, in its reply, denied the liability.	The matter is pending for award.
4	N.A.	2002	Reliance Industries Limited	BPCL	Supreme Court of India	258,700,000 plus cost of 157,750	BPCL entered into an agreement with the appellant for the supply of naphtha. However, a dispute arose between the parties and the matter was referred to arbitration. BPCL filed its statement of claim and the award was passed in BPCL's favour for Rs. 258,700,000 plus cost of Rs. 157,750. Aggrieved by this award, the appellant filed an appeal in the Bombay High Court before a single judge. The Bombay High Court, pursuant to its	The next date of hearing is yet to be notified.

S.No	Appeal No./Case No.	Year	Plaintiff/ Petitioner/ Complainant/ Applicant/Claimant	Defendant/ Respondent	Name & Address of the Court/ Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
							order dated January 18, 2002, dismissed the appeal. The appellant then filed an appeal against the order of the single judge, which was dismissed pursuant to an order dated July 2, 2002. Aggrieved by this order, the appellant filed a special leave petition before the Supreme Court.	
5	N.A.	2002	Reliance Industries Limited	BPCL	Supreme Court of India	258,700,000	BPCL entered into an agreement with the respondent for supply of naphtha to BPCL. However, a dispute arose between the parties and the matter was referred to arbitration. BPCL filed its statement of claim and an award of Rs. 258,700,000 with interest was passed in favour of BPCL. Aggrieved by this award, the appellant filed an appeal in the Bombay High Court before a single judge. The Bombay High Court, pursuant to its order dated January 18, 2002, dismissed the appeal. The appellant then filed an appeal against the order of the single judge, which was dismissed pursuant to an order dated July 2, 2002. Aggrieved by this order, the appellant filed a special leave petition before the Supreme Court.	The next date for hearing is yet to be notified.
6	N.A.	2002	BPCL	Reliance Industries Limited	Mr. U. N. Joshi, Arbitrator	15,700,000	BPCL entered into an agreement with the respondent for supply of naphtha to BPCL. However, a dispute arose between the parties and the matter was referred to arbitration. BPCL filed its statement of claim on October 1, 1997	The next date of hearing is yet to be notified.

S.No	Appeal No./Case No.	Year	Plaintiff/ Petitioner/ Complainant/ Applicant/Claimant	Defendant/ Respondent	Name & Address of the Court/ Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
							and an award of Rs. 15,700,000 with interest was passed in favour of BPCL. Aggrieved by this award, the respondent filed an appeal in the Bombay High Court. The Bombay High Court, pursuant to its order dated January 29, 2002, dismissed the appeal and directed the appointment of a new arbitrator.	
7	N.A.	2003	BPCL	Reliance Industries Limited	Mr. U. N. Joshi, Arbitrator	626,300,000	A dispute arose between the respondent and BPCL over payment of yield penalty as directed to be recovered by the government. BPCL filed a statement of claim on May 2, 2007 for yield penalty for Rs. 626,300,000 before the arbitrator.	The next date of hearing is yet to be notified.
8	N.A.	1994	BPCL	Overseas Electrical Projects Private Limited	Mr. V. Giri, Arbitrator	106,501,059	BPCL had awarded a contract to the respondent for carrying out electrical work at its office at Noida, Uttar Pradesh. However, certain differences arose between the parties, and the matter was referred to arbitration. BPCL filed a statement of claim on May 26, 1994. BPCL has filed a rejoinder to the respondent's reply.	The next date of hearing is yet to be notified.

Eviction Suits against BPCL

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/ Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
1	T.E. & R. Suit no. 138/04	2004	Mr. Maharao Pragmulji of Kutch	BPCL	Small Causes Court, Mumbai	12,534,066	BPCL had entered into a lease deed dated July 27, 1959 with the plaintiff. The lease deed expired on August 31, 1963. However, BPCL continued as a monthly tenant. The plaintiff	The next date of hearing is April 15, 2008.

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
							filed a suit for eviction and for payment of mesne profits.	
2	T.E. & R Suit no. 24/03	2003	M/S Forbes Gogak	BPCL	Small Causes Court, Mumbai	21,339,678	BPCL has held Flat no. 2 in a building known as 'Lyndwode House' including the garage and servant quarters situated at 9, Bomanji Petit Road, Cumball Hill, Mumbai since March 1, 1953 without a formal tenancy agreement with the plaintiff on a monthly tenancy. The plaintiff filed a suit for eviction and payment of mesne profits.	The next date of hearing is yet to be notified.
3	64/77	2005	Kumar Builders	BPCL	Small Causes Court, Mumbai	22,500,000	BPCL had entered into a lease deed with the plaintiff. After the lease deed expired on March 31, 2005, the plaintiff filed a suit for eviction and payment of mesne profit of Rs.25,000 per day commencing from April 1, 2005.	The matter is pending for evidence. The next date of hearing is yet to be notified.
4	T.E. & R Suit no. 57/64	2001	Ms. Gulistan P. Coelho	BPCL	Small Causes Court, Mumbai	24,717,979	BPCL had entered into a lease deed with the plaintiff. After the lease deed expired on April 30, 1976, BPCL continued as a monthly tenant. The plaintiff filed a suit for eviction at the trial court, Mumbai and for payment of mesne profits. The trial court, Mumbai decreed the suit in favour of the plaintiff. BPCL filed appeals in First appellate court, the Bombay High Court and the Supreme Court but such appeals were dismissed. BPCL then filed an appeal before the Supreme Court of India and submitted an undertaking to surrender the	The matter is pending for evidence. The next date of hearing is June 14, 2008.

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
							aforementioned site to the plaintiff by September 30, 2008. However, the application for payment of mesne profits is pending in trial court for evidence as per the order of the Bombay High Court.	
5	T.E. & R Suit No.97	2001	Mr. R.A. Patil	BPCL	Small Causes Court, Mumbai (Appeal)	37,524,000	BPCL had entered into a lease deed with the plaintiff on July 3, 1997. After the lease deed expired on February 2, 2001, the plaintiff filed suit in August 2001 for eviction and payment of mesne profits which was decreed in favour of plaintiff by the order dated November 30, 2004. Aggrieved by this order, BPCL filed an appeal before the division bench of the Small Causes Court, Mumbai in September 2005 and BPCL is presently depositing the old lease rentals with the plaintiff.	The next date of hearing is June 11, 2008.
6	T.E. & R Suit no. 10/2002	2002	Ms. J. R. Delvadvala and others.	BPCL	Small Causes Court, Mumbai (Appeal)	41,285,700	BPCL had entered into a lease deed with the plaintiff for a residential property. After the lease deed expired on December 31, 1967, BPCL continued as a monthly tenant. The plaintiff filed a suit for eviction before the trial court and for payment of mesne profits. The trial court, pursuant to order dated February 28, 2007, decreed the suit in favour of the plaintiff. Aggrieved by the order of the trial court, BPCL filed an appeal before the division bench of the Small Causes Court, Mumbai in March 2007 on the grounds that tenancy was not for entire premises and over area show in the notice.	The next date of hearing is June 26, 2008.

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
7	T.E. & R Suit no. 42/45	2002	Tashkant Premises	BPCL	Small Causes Court, Mumbai	45,029,250	BPCL had entered into a lease deed with the plaintiff. After the lease deed expired, the plaintiff filed a suit for eviction and for the recovery of compensation of Rs. 643,275 p.m. for unlawful use and occupation of suit premises by BPCL from December 1, 2001 or from the date of filing of the suit till passing of decree. BPCL, in its reply, has stated that it is a protected tenant since it is a government company.	The next date of hearing is yet to be notified.
8	T.E. & R Suit no. 293	2002	M/s Sai Music	BPCL	Small Causes Court, Mumbai	48,510,000	BPCL had entered into a lease deed with the plaintiff. After the lease deed expired, the plaintiff filed a suit for eviction and compensation for unlawful use, occupation and possession of the premises by BPCL at Rs. 539,000 p.m. from November 1, 2002 till delivery of possession of the premises. BPCL, in its reply, has stated that it is a protected tenant since it is a government company.	The next date of hearing is yet to be notified.
9	T.E. & R Suit no. 17/17	2002	M/s Sundeeep Construction	BPCL	Small Causes Court, Mumbai	64,800,000	BPCL had entered into a lease deed with Mr. Chemburkar, who transferred the development rights in favor of the plaintiff. After the lease deed expired, the plaintiff filed a suit for eviction and for payment of mesne profit at Rs. 720,000 p.m. from termination of lease deed or from the date of filing of the suit till possession is recovered.	The next date of hearing is yet to be notified.

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
10	T.E. & R Suit no. 2/2	2002	M/s Electra Multimedia and others.	BPCL	Small Causes Court, Mumbai	82,128,000	BPCL had entered into a lease deed with the plaintiff. After the lease deed expired on April 31, 1990, the plaintiff filed a suit for eviction and for payment of mesne profit at Rs. 800,000 p.m. from July 1, 2000 till recovery of possession of the said premises. BPCL, in its reply, has stated that it is a protected tenant being a government company.	The next date of hearing is yet to be notified.
11	T.E. & R Suit no. 131/163	2000	ACME Construction	BPCL	Small Causes Court, Mumbai	102,707,676	BPCL had entered into a lease deed with the plaintiff. After the lease deed expired, the plaintiff filed a suit for eviction before the trial court and for payment of mesne profit at Rs. 1,180,548 p.m. The trial court decreed the suit in favor of the plaintiff. Aggrieved by the decision of the trial court, BPCL filed an appeal, which was dismissed. The application for mesne profit is pending.	The next date of hearing is yet to be notified.
12	T.E. & R Suit no. 292/313	2002	Ms. Ranjana Dhuru and others	BPCL	Small Causes Court, Mumbai	130,500,000	BPCL had entered into a lease deed with the plaintiff. After the lease deed expired, the plaintiff filed a suit on December 7, 2002 for eviction before the trial court and for payment of mesne profit at Rs. 2,250,000 p.m. from the date of filing of the suit till recovery of possession of the premises. BPCL, in its reply, has stated that it is a protected tenant being a government company.	The next date of hearing is yet to be notified.

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
13	F.A. no. 213	2003	Mr. T.J. Mavani	BPCL	Court of Civil Judge, Senior Division, Margao	220,250,000	BPCL had entered into a lease deed with the plaintiff. After the lease deed expired on March 31, 2006, the plaintiff filed a suit in Court of Civil Judge, Senior Division, Margao and for payment of mesne profit. However, the Court of Civil Judge passed an order in favour of BPCL. Aggrieved by the order of the Court of Civil Judge, the plaintiff filed an appeal No.213/2003 before the Appellate Bench of the Bombay High Court at Goa for amending his plaint to initiate fresh eviction proceedings against BPCL. The Bombay High Court upheld the appeal and the matter was remanded to Court of Civil Judge, Senior Division, Margao for leading additional evidence.	The next date of hearing is yet to be notified.
14	Suit no. 112/137	2005	Mr. Paramjit Singh Ghai and others.	BPCL	Small Causes Court, Mumbai	11,600,000	BPCL had entered into a lease deed with the plaintiffs in relation to their property situated at Byculla. The plaintiffs filed a suit against BPCL for eviction from their property after the expiry of lease and demanded compensation at Rs. 100,000 p.m. from the date of determination of tenancy or from the date of filing of the suit till recovery of possession of the suit premises. BPCL, in its reply, stated that it is a protected tenant by virtue of being a government company.	The next date of hearing is yet to be notified.

Eviction Suit by BPCL (Appeals)

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
1	Appeal no. 524	2003	BPCL	Mr. Sunil Jhaveri	Supreme Court of India	49,051,937	BPCL had entered into a lease deed with the plaintiff in relation to their property at Jhaveri mansion. After the lease deed expired on June 30, 1976, the plaintiff filed a suit in the Small Causes Court, Mumbai against BPCL for eviction from their property and payment of mesne profits. The decree was passed in favour of the plaintiff by the small causes court, Mumbai pursuant to order dated June 12, 2003. BPCL challenged the order in the Court of First Appeals, where the appeal was dismissed pursuant to order dated September 25, 2006. Aggrieved by this order, BPCL filed appeal in the Bombay High Court, which was rejected by the Bombay High Court pursuant to order dated September 3, 2007. Thereafter, BPCL filed a review petition from the order in the Bombay High Court, which was rejected on October 15, 2007. BPCL then filed a special leave petition in the Supreme Court which has been admitted. Further, BPCL has to pay a deposit of Rs.100,000 p.m. as occupation charges in trial court, Mumbai from January, 2008 onwards till such time matter is decided by the Supreme Court.	The next date of hearing is yet to be notified.

Land Acquisition / Compensation Against BPCL

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
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S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
1	N.A.	2002	Ms. L. Narayanbhai	BPCL	District Court, Nadiad	73,286,300	A case was filed by the plaintiffs for increasing compensation in relation to the land acquired by BPCL from the plaintiffs, for setting up its depot. BPCL, in its reply, stated that the price of the land was determined after taking into account various details such as the sale deeds of surrounding land, earning from the crops and facility of irrigation.	The next date of hearing is yet to be notified.
2	LQA NO. 20/94, 21/94	1994	Mr. Dhirubhai Ramsang and others and Jivuba Adesang	State of Gujarat and BPCL	Civil Judge, SD, Jamnagar	350,000,000	These cases have been filed for increasing compensation for the land acquired from the plaintiffs by BPCL for developing the COT at Vadinar and Singach.	The next date of hearing is yet to be notified.

Land Acquisition / Compensation by BPCL (Appeals)

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
1	Case no. 776	2000	BPCL and others	Budhari	Punjab & Haryana High Court, Chandigarh	25,193,073	This case has been filed for increasing compensation for land acquired from the plaintiffs by BPCL measuring 27 kanal 15 marla for the Piyala LPG plant. Pursuant to an order dated December 10, 1985, the Additional Collector, Faridabad determined the compensation payable to the landowners at Rs. 11 per square yard. The plaintiff filed references before District Court for enhancement of compensation. The District Court, pursuant to an order dated August 5, 1993 awarded enhanced compensation of Rs. 30 per square yard. Aggrieved, by the order of the District Court, BPCL filed an appeal	The next date of hearing is yet to be notified.

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
							on the ground that compensation was rightly awarded by the Additional Collector, which was dismissed by the High Court pursuant to order dated February 3, 2000. BPCL has further filed a letter patent appeal for setting aside the judgment and has argued that the compensation awarded should be reduced to the compensation awarded by Additional Collector.	
2	Case no. 1109	1994	P.D. Agarwal	BPCL	Chennai High Court	39,751,250	BPCL has challenged a certain compensation fixed by the land acquisition authority at Rs 95,984,989/- pursuant to letter no. LAOP 3/91 before the Chennai High Court. The award of compensation was stayed by the High Court, subject to the condition that 50% of the award money is deposited before the High Court. BPCL complied with the direction. In the meanwhile, the landlords have also filed appeal no. AS 687/02 with the prayer for enhanced compensation. BPCL has filed its reply.	The next date of hearing is yet to be notified.
3	FA no. 652 to 718 and WP No. 12803/2007	2000 and 2007	State of Bihar and BPCL (as intervenor)	Mr. Mahesh Rai and others	Patna High Court	9,227,397	State of Bihar filed 67 appeals against the order of the land acquisition tribunal are yet to be directing the state government to enhance the compensation payable to the respondents for acquisition of land by the writ the state government on behalf of BPCL, for construction of its depot at Patna. Out of the total 67 appeals, 32 first appeals were dismissed pursuant to an order dated May	The remaining 35 first appeals listed for hearing. The next date of hearing for petition by BPCL is yet to be notified.

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
							2007, on account of withdrawal by the State of Bihar. Aggrieved by the award, BPCL filed a writ petition in Patna High Court challenging the said dismissal.	
4	Cases No. 4570 to 4595	2002	Arutbhai Jivabhai Patel and others	BPCL	Gujarat High Court	93,150,218	An appeal has been filed against the order of the District Court directing payment of enhanced compensation for the land acquired for Depot at Sidhpur.	The next date of hearing is yet to be notified.
5	AS No. 1064	1994	BPCL	R.D. Agarwal	Chennai High Court	21816,746	Land was acquired by BPCL for Tondiarpet depot. The defendant filed a suit before the Civil Court challenging that the compensation paid to him was inadequate. The Civil Court passed an order enhancing the compensation. Aggrieved by the order, BPCL has filed an appeal before the Chennai High Court. The defendant has filed his reply to the appeal.	Next date of hearing to be notified.

Money Suit against BPCL

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
1	Suit no. 279/2002	2002	Swastik Oil Products Manufacturing Company	BPCL	Bombay High Court	22,925,478	The suit was filed by the plaintiff, claiming the payment of an additional amount by BPCL as per the terms of the contract during the period when there was a corresponding increase in the input costs of the raw materials of the supply.	The next date of hearing is yet to be notified.
2	Suit no. 1315	1989	Mr. Gulshanlal Kohli and Interstate carriers	BPCL	Bombay High Court	49,466,917	A suit was filed by the plaintiffs against BPCL claiming wrongful termination of its contract with BPCL for transportation of products from ONGC	The next date of hearing is yet to be notified.

Uran to the refinery. BPCL, in its reply, stated that the contract was terminated on account of a regular loss of products during the transportation which amounted to breach of contract.

Money Suits by BPCL

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
1	-	2007	BPCL	Enkey Taxtafood	Civil Court, Silvasa	36,000,000	A suit was filed by defendant for non payment of petroleum product, which was sold by BPCL to the defendant. Pursuant to order dated October 3, 2003, the Bombay High Court directed the defendant to make the required payments alongwith interest thereon. Further, an execution application was filed before Civil Court of Silvasa filed whereby a distress warrant was issued to the defendant.	The next date of hearing is yet to be notified.
2	Petition no. 2081	1996	BPCL	Mumbai Metropolitan Region Development Authority	Bombay High Court	23,547,150	BPCL entered into a lease agreement with the defendant for certain residential plots. Due to realignment of railway corridors, the defendant offered alternative plots. BPCL agreed but claimed refund of the premium on certain terms, which was rejected by the defendant, and subsequently, the defendant cancelled the allocation of the plots to BPCL. BPCL filed a writ petition No. 1602/1994 before the Bombay High Court stating that the cancellation of plot was arbitrary and also that plots being provided in lieu were inferior in quality. The Bombay High Court, pursuant to an order dated October 22, 1996, disposed of the petition and directed the parties to	The next date of hearing is yet to be notified.

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
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appear before a conciliator and enter into a lease agreement for the new plots. The lease agreement was signed in August 25, 1997.

Writ Petitions against BPCL

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
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1	Writ Petition No. 8985 of 2006	March 20, 2006	CD Equifinance Private Limited	Union of India and BPCL	Calcutta High Court, Kolkata	Not Applicable	The Petitioner was one of the shareholders of Kochin Refineries Limited, which merged with BPCL in March 2006 as per Section 391 to 394 of the Companies Act. BPCL and KRL being government companies filed petition before the Ministry of Company Affairs ("MCA") seeking confirmation of the scheme of merger as set out under Notification GSR No. 238 dated February 2, 1978 issued under Section 620 of the Companies Act. Aggrieved by the scheme of merger submitted before the MCA, the Petitioner filed an application before the MCA seeking modification of the scheme. The MCA approved the scheme of merger in its original form. Aggrieved by the order of MCA, the Petitioner has filed an appeal before the Calcutta High Court challenging the authority of the MCA and the legality of the notification under which the MCA had approved the scheme.	The next date of hearing is yet to be notified.
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Writ Petitions by BPCL

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
1	Petition No. 28232	2006	BPCL	The Commissioner of Central Excise and others	Calcutta High Court, Kolkata	896,000,000	A petition has been filed by BPCL disputing the payment of arrears of central excise duty as levied by the defendants. The Calcutta High Court, pursuant to an order dated November 17, 2006, granted interim relief in favour of BPCL restraining the respondents from taking any coercive step against BPCL till further instructions.	The petition is yet to be listed for hearing.
2	Petition no. 1891	2007	BPCL	State of Maharashtra and Others	Bombay High Court	-	BPCL filed a writ petition against the State of Maharashtra and others challenging the notification dated March 20, 2006 issued by the government of Maharashtra, whereby Development Plan of "M" Ward of Greater Mumbai, wherein CTS nos. 1 to 12, 355, 356 of Village Mahul, Taluka Kurla, Mumbai were earmarked for residential colony of BPCL, was changed for Slum Rehabilitation Scheme and also for direction restraining Commissioner of Briahnmbai Municipal Corporation and Eversmile Construction Limited and others from allowing and/or carrying out any construction on the said land.	The next date of hearing is to be notified.

Contempt Petitions against BPCL

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
1	Contempt Petition no. 1668	2004	M/s. Jagdamba Service Station	BPCL and Mr. S Behuria	Calcutta High Court, Kolkata	Nil	A contempt petition has been filed against BPCL on the grounds	The next date of hearing is

S.No	Appeal No./Case No.	Year	Plaintiff/ Petitioner/ Complainant/ Applicant	Defendant/Respondent	Name & Address of the Court/ Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
				(chief managing director) and others			that BPCL had yet to be committed willful notified. violation of an order dated January 31, 2003 by the Calcutta High Court in Writ Petition No. P 4746 of 2001 which directed BPCL to obtain no objection certificate from National Highway Authorities. BPCL, in its reply, has denied the allegation and has stated that it has complied with the order of the High Court.	
2	Contempt Petition no. 19/2006	2006	Ms. Sulochana Makin	BPCL, Mr. Ram Chandra Makin and others.	District Judge, Kolkata, Howrah	Nil	A contempt petition has been filed by the petitioner against BPCL and its officials, yet to be notified. on the grounds of violation of the order dated July 27, 2007 passed by the District Court of Howrah in Misc. Appeal No. 128 of 2006, directing BPCL not to take over the operation of the petrol pump, owned by way of partnership firm by petitioner's deceased husband, without paying 50% of the share in the profits of the petrol pump business to the legal heirs of the partnership firm. BPCL is yet to file its reply to the contempt petition.	The next date of hearing is yet to be notified.
3	Contempt Petition no. MJC 3812	2000	Mr. Rajdeo Rai and others	BPCL along with the State of Bihar and others	Patna High Court	Nil	A contempt petition has been filed by the petitioner on the grounds of violation of the order dated February 25, 1997 passed by the Patna High Court in case no. 564 of 1995 issuing directions that existence of a specific notification for appointment of persons affected by land acquisition for construction of an approach road as a part of rehabilitation policy shall mandate the	The next date of hearing is yet to be notified.

S.No	Appeal No./Case No.	Year	Plaintiff/ Petitioner/ Complainant/ Applicant	Defendant/Respondent	Name & Address of the Court/ Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
							affected persons to approach BPCL for recruitment. BPCL, in its reply, denied all allegations and stated that it has complied with the order and had given opportunities to the affected persons during the recruitment process in 1994 and 2001.	
4	Contempt Petition no. 2344	1999	Nagar Palika Parisad	BPCL, Mr. Ram Singh District Magistrate, Mr. Rajiv Arya and Mr. Abdul Gaffar	Allahabad High Court	Nil	A contempt petition has been filed by the petitioner on the grounds of violation of order dated April 2, 1999 passed by the Allahabad High Court issuing directions for cancellation of the no objection certificate. BPCL has filed its reply denying charges of contempt.	The next date of hearing is yet to be notified
5	Contempt Petition no. 701	2004	Amritsar Diocesan Trust Association	Mr. Arun Kumar and BPCL	Punjab & Haryana High Court, Chandigarh	Nil	A contempt petition has been filed by the petitioner on the grounds of violation of order issued by Civil Judge (JD), Amritsar, restraining BPCL and its officer from carrying out any further development work on the leased property. BPCL filed its reply denying all allegations and further contending that it had not carried out any further construction and the digging which was done was regular and procedural in nature.	The next date of hearing is yet to be notified
6	Contempt Petition no. 7	2000	UP Motors Services	BPCL	Small Causes Judge, Varanasi	Nil	A contempt petition has been filed by the petitioner on the grounds of violation of order passed by Civil Judge (Senior Division), Varanasi issuing directions to BPCL for not suspending the supplies of petroleum products to the petitioner until the samples are retested. BPCL has filed its reply denying	The next date of hearing is April 19, 2008.

S.No	Appeal No./Case No.	Year	Plaintiff/ Petitioner/ Complainant/ Applicant	Defendant/Respondent	Name & Address of the Court/ Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
							all charges.	
7	Contempt Petition No. 769	2002	Mr. Dalbir Singh	BPCL	Punjab and Haryana High Court, Chandigarh	Nil	A contempt petition has been filed by the petitioner on the grounds of violation of order dated May 10, 1999 issuing directions to BPCL to hand over the possession of a certain petroleum pump to the petitioner. BPCL, in its reply, has denied all the charges.	The next date of hearing is yet to be notified.
8	Contempt Petition no. 35/2000	2000	M.C. Khemka, Mr. Santosh Khemka	Mr. Subhash Chandra Khemka and BPCL	Small Causes Judge, Agra	Nil	A contempt petition has been filed on the grounds of violation of order dated August 20, 1998 passed by the Civil Judge (Senior Division), Agra in Suit No. 506 of 1998, issuing directions BPCL to continue supplying petroleum products to the petitioners. BPCL has filed its reply denying all the charges.	The next date of hearing is yet to be notified.
9	Petition no.15720	2006	M/s. Shruthi Gas Agency, Mylavaram	BPCL	Delhi High Court	Nil	The petitioner was the LPG distributor for BPCL at Mylawaram. The LPG Distributorship was auctioned as per the order of the Delhi High Court. The erstwhile distributor wanted the auction done along with the show room and godown. The auctioning process was completed. The distributor has withdrawn the petition and filed a fresh petition before the Delhi High court.	The next date of hearing is yet to be notified.
10	Suit No. 5192	2006	Mr.Abdul Rehman and Ms. Najmunnisa	BPCL	Civil Judge, City Civil Court, Hyderabad	Nil	The plaintiff filed the following suits against BPCL: Suit no. 2177 of 2005 for default in payment of rentals and seeking eviction. Suit no 4192 of 2006 against Municipal Corporation and BPCL to restrain the Municipal Corporation	The next date of hearing is yet to be notified.

S.No	Appeal No./Case No.	Year	Plaintiff/ Petitioner/ Complainant/ Applicant	Defendant/Respondent	Name & Address of the Court/ Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
							from sanctioning the plan for construction of the superstructures. Suit no. 5192 of 2006 to restrain BPCL from putting up any construction in the schedule property. The court heard all the three matters and passed a combined order to maintain status quo.	

Contempt Petition by BPCL

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
1	Contempt Petition no. 102/2007	2007	BPCL	Mr. Jagrit Khaitan	Delhi High Court	127,382,732	A contempt petition has been filed by BPCL on the grounds of violation of the order dated June 1, 2006 in case no. 1245/2006, issuing directions to restrain the respondent from transferring the property to any person despite which the respondent sold the property pursuant to a sale deed dated August 20, 2006. The respondent has denied any violation of the said order.	The next date of hearing is yet to be notified.

Criminal Cases against BPCL

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
1	Case No: 1403 of 1994	1994	State of Uttar Pradesh	BPCL	Supreme Court of India	Nil	A criminal case was filed by Inspector of Legal Metrology on the ground that BPCL failed to calibrate its storage tanks and pay the calibration fee and thereby breached Sections 25 and 47 of the Standards of Weights and Measures (Enforcement) Act, 1985, as amended. The present petition along with all the earlier	The next date of hearing is yet to be notified.

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of Present Status
							petitions which had been filed in Allahabad High Court against BPCL on similar matters have been transferred to the Supreme Court pursuant to its order dated March 10, 2006.
2	Case No. 485	1997	State of Andhra Pradesh	Mr. Sundaresan, Manager Vizag Installation and others (BPCL)	VII Metropolitan Magistrate, Gujuwaka Vizag.		A case has been filed on account of a fire of hearing is accident in the Vizag yet to be refinery on November notified. 8, 1996 where several people were charged, including Mr. K. Sunderasan. BPCL filed a petition to stop the proceedings against Mr. K. Sundaresan for lack of <i>prima facie</i> case against him.
3	N.A.	2005	Dr. Harishchandra Wange (Pawan Proteins)	BPCL	Court of Additional Session Judge, Ambejogai	Nil	The Judicial Magistrate Notice has FC Parli Vajinath been issued. passed an order in The next date favour of BPCL of hearing is directing the accused to yet to be pay compensation notified worth Rs. 410,000/- being the amount of dishonoured cheque issued by the accused and a fine of Rs. 5,000/. Aggrieved, the accused has filed the present appeal against the said order.
4	Case no. 368/S	2005	Mr. Rajan Gulrajani	Mr. S.K.Malik and Sultan Qazi	Metropolitan Magistrate Court, Kurla, Mumbai	Nil	A criminal case has been filed by the complainant against the officers of BPCL, of hearing is alleging trespass and yet to be theft by the officers of notified BPCL while taking over the possession of the dealership belonging to the complainant on the termination of his dealership.
5	Case no. 235	1998	Ms. Rashmi Shrotriya	Mr. G.M. Naik and Others	Judicial Magistrate, First Class, Kalyan	Nil	A complaint was filed by the complainant against the officials of BPCL under Sections of 347,386, 406, 420 and yet to be 34 of the Indian Penal Code. The complaint was rejected by the court. Aggrieved by the order of the court, the complainant filed Criminal Revision

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
							Petition no. 21 of 2000 in the court of the Sessions Judge. The Sessions Court dismissed the revision petition and directed appearance before the trial court.	
6	Case no. 68	2000	Khed Municipal Council	BPCL	Judicial Magistrate-I, Khed	2,350,910.4	A suit has been filed against BPCL for recovery of octroi charges on diesel supplied to a consumer pump at Khed before the Civil Judge, Ratnagiri for the period beginning from February 13, 1986 to August 31, 1993. Further, the Municipal Council also filed Criminal Complaint No. 44/2000 before the Civil Judge and Judicial Magistrate-I at Khed against BPCL. The Civil Judge, Ratnagiri, pursuant to an order dated November 3, 2007, partly allowed the claim of the Municipal Council for the period from April 1992 to August 1993 aggregating Rs.217,670 including 12% interest p.a. from the date of filing of suit until the payment is made to the Nagarpalika. As of January 2008, the claim was Rs. 407,041. BPCL paid the said decretal amount to Khed Naarpalika as per the Order of Civil Judge, Khed.	Criminal complaint is still pending. The next date of hearing is yet to be notified.

Criminal Cases by BPCL

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
1	Case No. 49	1999	BPCL	Haryana Petroleum Dealers Association and Others	Chief Judicial Magistrate, First Class, Sonapat	Nil	BPCL filed a criminal defamation complaint under Section 500 of the Indian Penal Code against the accused	The next date of hearing is yet to be notified.

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
							persons who had published posters against general manager (Retail) north alleging charges of corruption. The Court has issued bailable warrant against all accused persons but such warrants have not been served because proper addresses are not given.	
2	Criminal Complaint No. 152	1995	BPCL	Mr. S. Kannan (Station House Officer)	VIII Metropolitan Magistrate, Gujuwaka, Vizag.	50,000	A criminal complaint has been filed by BPCL of under Section 451 of Criminal Procedure Code on the grounds of theft of oil tins of actuma make from the lubricants godown within BPCL's Vizag Installation in the month of December 1994.	The next date of hearing is yet to be notified.
3	Case No.377	1995	BPCL	Station House Officer, Malkapuram Crime P.S. Vizag.	VIII Metropolitan Magistrate, Gujuwaka, Vizag. Mr. Polisetty Srinivasa Rao, Advocate Vizag.	50,000	A criminal complaint has been filed by BPCL on the grounds of theft of stock items including lorry tyres, lube containers from Vizag Installation.	Summons has been served upon S. Kannan and others to adduce evidence. The next date of hearing is yet to be notified.
4	10/Misc/06/23/SW	2006	BPCL	Mr. Rajan Guljrani and others	Metropolitan Magistrate Court, Kurla, Mumbai	Nil	A criminal case has been filed by BPCL against the defendant, alleging sale of petroleum products yet to be after termination of the underground tanks post the termination of his dealership.	Notice has been issued. The next date of hearing is yet to be notified.
5	3977	2003	Mr. Samir Bagchi	1st Additional Chief Metropolitan Magistrate, Kanpur	Allahabad High Court	Nil	A complaint was filed by Senior Inspector, under Sections 4, 28 and 57 of the Standards of Weights & Measures (Enforcement) Act and officers of BPCL were summoned by 1 st Additional Chief Metropolitan Magistrate. Aggrieved by the summoning of the officers, BPCL approached the High Court under Section	The next date of hearing is yet to be notified.

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
							482 of Criminal Procedure Code for quashing the criminal proceedings. Pursuant to order dated May 30, 2003, the High Court granted a stay on the summons.	
6	Cr.C.No.202 of 2003	2003	Mr. Boddapati Lalitha	Inspector of Police, Sullerpetta and others	Munsif Court, Sullurpet	Nil	A criminal complaint has been filed with the Inspector of Police at Tada by Mr. Boddapati Lalitha, an officer of BPCL, posted at Tada Depot against M/s. Jinnath Roadways and others. Transporters on account of pilferage of products from the tank lorries. During the course of investigation, the complainant was not given opportunity to depose. Aggrieved, BPCL filed an application before the court of Judicial Magistrate 1 st Class, Sullerpet on July 11, 2006 to re-investigate the matter.	Notice has been issued. The next date of hearing is yet to be notified.
7	-	2005	Mr. D.G. Banswal	State of Maharashtra	City Civil Court, Mumbai	Nil	Rita D. Vazairani, Trustee of People for Animals, filed a complaint with RCF police station against the applicant, an employee of BPCL, for removing 50 dogs from the refinery premises. A charge sheet was filed before the court of Additional Chief Metropolitan Magistrate 11 th court, Kurla. The applicant challenged the charge sheet.	Notice has been issued. The next date of hearing is yet to be notified.
8	Case No. 5310	2005	BPCL	M/s Galaxy Lubes Prop	Judicial Magistrate, First Class, Kolhapur	Nil	A complaint has been filed for dishonor of a cheque under Section 138 of the Negotiable Instruments Act, 1881 and Section 420 of the Indian Penal Code, 1860.	The matter is pending for evidence. The next date of hearing is yet to be notified.

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
9	Application & Registration No 3446/2007	2003	BPCL	Mr. Prasad Bawase	Bombay High Court, at Nagpur	Nil	A complaint has been filed for dishonor of a cheque under Section 138 of the Negotiable Instruments Act, 1881. The complaint was dismissed by the District Court pursuant to its order dated July 23, 2007. Subsequently, BPCL filed an appeal against dismissal of the criminal complaint.	The matter is pending for orders on application for condonation of delay in filing appeal.
10	First Appeal no. 5	2004	BPCL	Mr. J.T. Karachivala And Others	Bombay High Court, at Aurangabad	Nil	A case has been filed for recovery of the price of 1,667 cylinders and 275 pressure regulators before the Civil Judge, Senior Division, Kopergaon. The claim was dismissed for lack of evidence. Aggrieved by the order of the Court, BPCL has filed an appeal against the order before the Bombay High Court.	Notice has been issued. The next date of hearing is yet to be notified
11	2343	2007	BPCL	Mr. S.K.Malik and Mr. Sultan Qazi	Bombay High Court	Nil	A criminal case was filed by BPCL against Mr. S.K. Malik and Mr. Sultan Qazi before the Chief Metropolitan Magistrate Court, Girgaum on the grounds of trespassing and theft. The case was dismissed and aggrieved by such order of dismissal, BPCL filed Criminal Revision Application No. 921 of 2006 which was dismissed on December 14, 2006. BPCL filed a further criminal application under Section 482 of the Criminal Procedure Code, 1973 against the order of dismissal.	Notice has been issued. The next date of hearing is yet to be notified
12	Case no. 1231	2003	BPCL	Mr. Vijay Dhadke	Metropolitan Magistrate Court, Dadar,	Nil	A complaint has been filed for dishonor of a cheque under Section	The next date of hearing is

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
					Mumbai		138 of the Negotiable Instruments Act, 1881.	yet to be notified.
13	-	1999	BPCL	M/s. Pawan Proteins (India) Ltd	Civil Court Parli, Vaijinath	587,664	A complaint has been filed for dishonor of a cheque under Section 138 of the Negotiable Instruments Act, 1881.	The next date of hearing is yet to be notified.
14	Case no. 1502	2000	BPCL	Radha Dying & Printing Mills Limited	Metropolitan Magistrate Court, Kurla, Mumbai	8,772,841	A complaint has been filed for dishonor of a cheque under Section 138 of the Negotiable Instruments Act, 1881.	The matter is pending for evidence. The next date of hearing is yet to be notified.
15	CC No.426	2000	BPCL	Sri Venkateswara Paper & Boards; Madathukulam & B.V.V. Paper Industries; Madathukulam	Judicial Magistrate Court, Coimbatore.	487,250	A complaint has been filed under Sections 13A and 141 of the Negotiable Instruments Act, 1881 for recovery of the amount against the bounced cheques During the course of the proceedings, BPCL received a sum of Rs.30,000 towards part payment of the claim which has been accepted without prejudice to the right to further pursue the case for the balance amount.	The next date of hearing is yet to be notified.
16	Case no. 1118	1998	BPCL (Kochi Refinery)	M/s Impel Petro Private Limited	-	250,000	A complaint has been filed under the Negotiable Instruments Act, 1881, as amended, for recovery of the amount against the bounced cheques. Since the accused is absconding, the case has been transferred to long pending reference.	The case has been put in long pending reference, and will be revived when the accused is traced.

MRTP cases against BPCL

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
1	75	1992	U.P. Petroleum Dealers Association	Indian Oil Corporation Limited, BPCL and others	Monopolies and Restrictive Trade Practices	Nil	A complaint has been filed before the MRTP Commission challenging the unfair/restrictive	The next date of hearing is yet to be notified.

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
					Commission ("MRTP Commission"), New Delhi		trade practice of the respondents (oil companies). The complainant alleged that the respondents gave short delivery of petroleum products as against the higher amount of quantity as reflected in bills. It was stated that the supplies are being made by respondents to petrol pumps on a volumetric basis without reference to temperature and thereby the members of the UP Petroleum Association are getting reduced quantities although they are making full payment of price on a volumetric basis. BPCL is the third respondent.	

Cases in relation to Weights and Measures against BPCL

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
1	Case no. 9753	2004	Inspector of Legal Metrology	M/s Subarna Chemical Industries and others	Chief Metropolitan Magistrate Bankshall Court, Kolkata	Nil	A complaint has been filed by the Controller of Legal Metrology on the grounds that the accused, including BPCL and its officials, have committed offences under Sections 63 and 72 of the Standards of Weights & Measures Act, 1976 and Section 51 of the Standards of Weights & Measures (Enforcement) Act, 1985 with respect to M/s City Service Station at A.P.C Road, Kolkata as the dealer was selling distilled water wherein the date and year of manufacturing was not in conformity with the relevant rule.	The next date of hearing is yet to be notified.

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
2	Case no. 9752	2004	Inspector of Legal Metrology	Mr. Rajiv Ganeriwala and others	Chief Metropolitan Magistrate Bankshall Court, Kolkata	Nil	A complaint has been filed by the Controller of Legal Metrology on the grounds that the accused, including BPCL and its officials, have committed offences under Sections 63 and 72 of the Standards of Weights & Measures Act, 1976 and Section 51 of the Standards of Weights & Measures (Enforcement) Act, 1985 with respect to India Exchange Place, Kolkata as the dealer was selling multi-purpose grease wherein the sale price was not in conformity with the relevant rule.	The next date of hearing is May 2, 2008.
3	Case Transfer No. 206 (C- 2969)	2005	Inspector of Legal Metrology	Mr. Anil Kumar and others	Chief Judicial Magistrate Alipore, Kolkata	Nil	A complaint has been filed by the Controller of Legal Metrology on the grounds that the accused, including BPCL and its officials, have committed offences under Sections 39(1), 61 and 62 of the Standards of Weights & Measures (Enforcement) Act, 1985 with respect to Budge Installation in Bulk Transport.	The next date of hearing is April 16, 2008.
4	T.R. 281 (C-3920)	2004	State represented by Mr. Sandip Meta Inspector of Legal Metrology, Kolkata	Mr. Bikash Das and others along with BPCL	Chief Judicial Magistrate Alipore, Kolkata	Nil	A complaint has been filed by the Inspector of Legal Metrology, Enforcement Wing, Kolkata under the provisions of Section 72 of the Standards of Weights & Measures Act, 1976 on the grounds that Mr. Bikash Das and BPCL and its officials committed offences under Sections 63 and 72 of the Standards of Weights & Measures Act, 1976, relating to the details required to be mentioned on packaged products.	The next date of hearing is April 25, 2008.

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
5	C.R. 282	2007	Controller of Legal Metrology, Hooghly	Mr. Kanu Pal Chowdhury, BPCL and others	Chief Judicial Magistrate, Serampore Hooghly	Nil	The complainant filed a complaint against the accused on the grounds that the dealer and BPCL have committed offences under Sections 37(1)(vii) and 39(2)(i) of the Standards of Weights & Measures (Enforcement) Act, 1985 relating to allocation of weight or measure in order to deceive any person.	The next date of hearing is April 22, 2008.
6	C-9754	2004	State represented by Mr. Sandip Meta Inspector of Legal Metrology Enforcement Wing, Kolkata	Mr. Dilip Kr Jajodia, BPCL and others	Chief Metropolitan Magistrate Bankshall Court, Kolkata and the Calcutta High Court	Nil	A complaint has been filed under Section 72 of the Standards of Weights & Measures Act, 1976 on the ground that the accused who is the dealer for BPCL, and BPCL had committed an offence under Sections 72 and 63 of the Standards of Weights & Measures Act, 1976 and under Section 51 of the Standards of Weights & Measures (Enforcement) Act, 1985 relating to details required to be disclosed on a packaged product as per the provisions of the Standards of Weights & Measures (Packaged Commodities) Rules, 1977 in respect of the retail outlet at 8, Church Lane, Kolkata. BPCL filed a criminal revision petition under Section 482 of the Criminal Procedure Code, 1973 before Calcutta High Court against prosecution.	The next date of hearing is May 19, 2008.
7	C-4763	2004	State represented by Mr. Sandip Meta Inspector of Legal Metrology Enforcement Wing Kolkata	Mr. Umashankar Jaiswal and others (including Chairman, BPCL)	Chief Metropolitan Magistrate Bankshall Court, Kolkata	Nil	A complaint has been filed under Section 63 of the Standards of Weights & Measures Act, 1976 and under Section 51 of the Standards of Weights & Measures (Enforcement) Act, 1985 in relation to	The next date of hearing is April 8, 2008.

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
							non-disclosure of statutory information on the packaged products in respect of retail outlet. Subsequently, BPCL filed a criminal revision petition in the Calcutta High Court pursuant to which the Calcutta High Court passed an order dated September 21, 2004 to stay the hearing.	
8	Criminal case no. 16652	2007	GoMP	BPCL and others	Fist Class Magistrate (Mr Vaibhav Mandloi), Bhopal	Nil	A criminal complaint has been filed on behalf of the Government of Madhya Pradesh on the ground of short delivery of motor spirit. BPCL, in its reply, contended that there was no short delivery as the motor spirit was delivered through the flow meter which was duly verified and stamped.	The next date of hearing is April 4, 2008.

Cases in relation to Weights and Measures by BPCL

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
1	Petition No. 42763	2002	BPCL	State of Uttar Pradesh	Allahabad High Court, Lucknow	Nil	A writ petition has been filed before Allahabad High Court against the notice yet to be issued by the Department of Weights and Measures on May 6, 2002 to get the storage tanks at Gonda depot calibrated. BPCL had, to a similar notice earlier, replied that such notice is illegal and that the Standards of Weights & Measures Act, 1976 is not applicable as the vertical storage tanks are meant only for the storage of petroleum products and are used for domestic purpose and internal verifications. The High	The next date of hearing is notified.

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
							Court granted a stay against the said notice on October 3, 2002.	
2	Petition No. 42805	2002	BPCL	State of U.P., Allahabad UOI, Controller of Weights and Measures department. and others.	High Court, Lucknow	N.A.	A writ petition has been filed by BPCL, dated November 11, 2001 against the notified. Department of Weights and Measures stating that the flow meters were not calibrated/stamped since October 12, 2001 which was in violation of Section 24 and 47 of Weights and Measures Act and Uttar Pradesh Weights and Measures Rules, 1990, contending that Weights and Measures Act is not applicable in respect of flow meters as the same is being used for the purpose of checking the flow of petroleum products.	The next hearing is yet to be notified.
3	Petition no.11310	2002	BPCL	State of Uttar Pradesh, UOI, Controller of Weights and Measures Department Senior inspector Weights and Measures, Nazibabad, Bijnore	Allahabad High Court	No amount demanded as per the notice	A writ petition has been filed by BPCL, dated April 20, 2001 against the notified. Department of Weights and Measures advising BPCL to arrange for calibration of storage tanks under Section 24 and 47 of the Standards of Weights & Measures (Enforcement) Act, 1985 and Rules 14 and 15 of the Weights and Measures Rules, 1990. BPCL in its reply has claimed that the storage tanks are not used for industrial production but they are only used for storage of the petroleum product and the	The next hearing is yet to be notified.

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
							provisions of the Standard of Weights and Measures Act are not applicable.	
4	Petition no. 9151	2003	BPCL	State of Madhya Pradesh, Controller of Legal Metrology	Madhya Pradesh High Court subsequently transferred to the Supreme Court of India	No pecuniary liability	A petition was filed by BPCL before the Controller of Legal Metrology against notices issued by the Department of Weights and Measures dated July 26, 2003 directing BPCL to calibrate the storage tanks at their Gwalior depot and to pay calibration fee, failing which BPCL shall be liable for penal consequences under Sections 22, 69 and 45 B of the Standards of Weights & Measures (Enforcement) Act, 1985. The Controller dismissed the petition pursuant to its order dated November 20 2003. Subsequently, another notice was issued to BPCL by the Department of Weights and Measures for violation of provisions of the Standards of Weights & Measures (Enforcement) Act, 1985, as amended. Accordingly a writ petition was filed by BPCL before the Madhya Pradesh High Court at Gwalior.	The next date of legal hearing is yet to be notified.
							The aforesaid writ petition along with all the other similar writ petitions was transferred to the Supreme Court.	
5	Petition no. 1948	2004	BPCL	State of MP, Controller of Legal Metrology	Madhya Pradesh High Court, Gwalior subsequently transferred to the Supreme Court.	No pecuniary liability.	The Department of Weights and Measures had issued an order on November 23, 2003 against BPCL to get the underground storage tanks installed at retail outlets calibrated as per the provisions of Standards of Weights	The next date of legal hearing is yet to be notified.

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
							and Measure Act, 1976, as amended. Aggrieved by this order, BPCL filed the instant writ petition before Madhya Pradesh High Court at Gwalior. Subsequently, the aforesaid writ petition along with all the other similar writ petitions was transferred to the Supreme Court.	
6	Petition no. 25674	2006	BPCL	State of Andhra Pradesh and the Controller of Legal Metrology, Andhra Pradesh	Andhra Pradesh High Court, Hyderabad	Nil	A writ petition has been filed by BPCL against the demand made by the Department of Legal Metrology for calibrating the vertical storage tanks installed at its Vizag Terminal. The High Court has stayed the demand made by the Department of Legal Metrology.	The next date of hearing is yet to be notified.

Miscellaneous cases against BPCL

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
1	OP No.3551 of 1999	1999	BPCL	State of Kerala	Kerala High Court, Ernakulam	769,150,663	A petition was filed by BPCL challenging a certain payment to the Government of Kerala on account of revised ground rent and interest over installation land that was surrendered to the Government of Kerala after the expiry of lease.	The next date of hearing is yet to be notified.
2	Suit No. 1447 of 2003	2003	The Great Eastern Shipping Company Limited	BPCL	Bombay High Court	107,891,154	The petitioner and BPCL had entered into an agreement for letting a vessel on hire to BPCL on certain terms and conditions. The petitioner had submitted that it failed to receive the full payment for utilization of the vessel by BPCL, for	The next date of hearing is yet to be notified.

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
							the particular period for which there was no agreement, and accordingly prayed for liquidated damages	
3	Miscellaneous Certificate Case No.12/06-07	2007	N.H. Division, Darbhanga, Bihar	BPCL	Court of Certificate Officer, Darbhanga	7,728,056	A suit has been filed by the plaintiff for refund of money paid to BPCL in an amount of Rs. 4,440,848 for purchase of bitumen. In terms of the agreement, the plaintiff had to arrange its own transport to take delivery of the product. However, upon the issuance of the delivery order by BPCL, the plaintiff failed to take delivery of bitumen. The plaintiff claimed a refund of the aforesaid amount which was denied by BPCL. Aggrieved by the decision of BPCL, the plaintiff had made a claim with the District Certificate Officer, Darbhanga who in turn issued a certificate and a notice to BPCL demanding Rs.7,728,056 (principal amount plus interest).	The next date of hearing is March 29, 2008.

S.No	Appeal No./Case No.	Year	Plaintiff/Petitioner/Complainant/Applicant	Defendant/Respondent	Name & Address of the Court/Arbitration Panel	Amount under consideration (in Rs.)	Brief Description of the case	Present Status
4	Certificate Case No. 347/07-08	2007	Executive Engineer National Highway Division Muzaffarpur, Bihar	BPCL	Court of Certificate Officer District Certificate Officer, Muzaffarpur	6,110,084	A suit has been filed by the plaintiff for refund of the amount paid to BPCL in an aggregate of Rs. 4,143,017 for purchase of bitumen. In terms of the agreement, the plaintiff had to arrange its own transport to take delivery of the product. However, since the payment was not enough for the agreed quantity of bitumen, BPCL failed to supply bitumen. The plaintiff claimed a refund of the aforesaid amount which was denied by BPCL. Aggrieved by the decision of BPCL, the plaintiff had made a claim with the District Certificate Officer, Muzaffarpur who in turn issued a certificate and a notice to BPCL demanding Rs.6,110,084.	The next date of hearing is yet to be notified.

Tax related litigation against BPCL

As on the date of filing this Draft Red Herring Prospectus, there are 455 cases with respect to income tax, excise, customs, service tax and sales tax/value added tax pending against BPCL before various courts/tribunals/authorities. The total amount under consideration in such cases is Rs. 29,805,673,000. Of the 455 cases, there are 21 cases related to income tax involving an aggregate amount of Rs. 882,191,000, 288 cases with respect to excise, customs and service tax involving an aggregate amount of Rs. 11,155,514,000 and 146 cases with respect to sales tax/value added tax involving an aggregate amount of Rs. 17,76,79,67,000.

VI. Litigation against Promoter Group Companies

Indraprastha Gas Limited (IGL)

In respect of IGL, proceedings under the MRTP Act have been disclosed below. In respect of other litigation, such litigation which involves an amount of Rs.10,000,000 or more has been disclosed.

There are a total of 70 cases initiated against IGL involving an amount of less than Rs. 10,000,000, out of which the consideration for one arbitration case has been quantified as Rs. 8,258,951 and the consideration for the remaining cases cannot be quantified.

There are 7 cases initiated by IGL involving an amount less than Rs. 10,000,000 and the aggregate

amount under consideration in such cases is Rs. 1,162,322.

a. Cases filed against IGL

Sr. No.	Appeal No. /Case No.	Date	Plaintiff/Petitioner / Complainant/ Applicant	Defendant /Respondent	Name & Address of the Court /Arbitration Panel	Amount under consideration	Brief description of case	Status
Cases under the MRTP Act.								
1.	Letter no. DGIR/2007/IP/87 dated October 19, 2007 for "Preliminary Investigation issued to IGL.	October 19, 2007	Office of Director General of Investigation and Registration	IGL	MRTP Commission	No amount has been specified as of now.	The office of Director General of Investigation and Registration has issued a letter no. DGIR/2007/IP/87 dated October 19, 2007 for "Preliminary Investigation under Section 11 (1) of the MRTP Act. The present investigation has been initiated by the Director General of Investigation and Registration on the grounds that IGL had engaged in unfair/restrictive trade practices while marketing PNG. It has been further alleged that IGL had charged higher margin of profit on sale of PNG as compared to other companies. IGL in its reply to the above allegations pursuant to a letter dated November 14, 2007 contended that apart from the cost of Administered Price Mechanism there are other elements of cost such as cost of PNG operation, maintenance of pipelines, cost of round the	IGL is awaiting further communication from Director General of Investigation and Registration.

Sr. No.	Appeal No. /Case No.	Date	Plaintiff/Petitioner / Complainant/ Applicant	Defendant /Respondent	Name & Address of the Court /Arbitration Panel	Amount under consideration	Brief description of case	Status
							clock vigil, safety and security of infrastructure, customer care and other overheads which has to be taken into account while determining the sale price of PNG, hence the allegations against IGL are unjustified.	
Tax related litigation								
1.	Appeal dated November 12, 2007	2003-2004	IGL	Deputy Commissioner of Income Tax of New Delhi	ITAT, New Delhi	New Rs. 13,189,332	The A.O had issued an order under the provisions of the IT Act disallowing certain exemptions and deductions claimed by IGL. IGL filed an appeal before the CIT (A) to set aside the order of the A.O. However, the CIT(A) passed an order in favour of the A.O. IGL has filed the present appeal on November 12, 2007 before the ITAT to set aside the order of the CIT (A).	The matter is currently pending before the ITAT and the next date of hearing is yet to be notified.
2.	Appeal dated December 31, 2007	2005-2006	IGL	Additional Commissioner of Income Tax , New Delhi	CIT (A) , New Delhi	New Rs. 34,009,173	The A.O had issued an order under the provisions of the IT Act disallowing certain exemptions and deductions claimed by IGL. IGL filed appeal before the CIT(A) to set aside the order passed by AO.	The matter is currently pending before the CIT (A) and the next date of hearing is yet to be notified.

b. Cases filed by IGL

Sr. No.	Appeal No. /Case No.	Date	Plaintiff/ Petitioner / Complainant/ Applicant	Defendant /Respondent	Name & Address of the Court /Arbitration Panel	Amount under consideration	Brief description of case	Status
1.	Case No. 07 of 2006	January 18, 2006	IGL	The New India Assurance Company Limited	National Consumer Disputes Redressal Commission, New Delhi.	Rs. 10,570,408 plus Rs. 2,500,000 as compensation.	IGL had taken Fire and Special Peril Policy (Material Damage) for insurance coverage of its goods located at the CNG stations for the period beginning from September 22, 2000 to September 21, 2001. On March 5, 2001, the compressor and generator caught fire at CNG station. IGL has filed a claim against New India Assurance Company Limited to recover the insured amount. On failure to receive the insurance claim amount, IGL had instituted the consumer proceedings.	The matter is currently pending before the National Consumer Disputes Redressal Commission, New Delhi and the next date of hearing is yet to be notified.

Petronet LNG Limited (PLL)

In respect of PLL, only those litigation which involves an amount of Rs.10,000,000 or more has been disclosed.

The total number of cases against PLL involving an amount less than Rs. 10,000,000 is 8 and the aggregate amount under consideration in such cases is Rs. 2,600,000. Further there is no case filed by PLL involving an amount less than Rs. 10,000,000.

a. Cases filed against PLL

There is no litigation exceeding a sum of Rs. 10,000,000 instituted against PLL.

b. Cases filed by PLL

Sr. No.	Appeal No. /Case No.	Date	Plaintiff/Petitioner / Complainant/ Applicant	Defendant /Respondent	Name & Address of the Court /Arbitration Panel	Amount under consideration	Brief description of case.	Status
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Sr. No.	Appeal No. /Case No.	Date	Plaintiff/Petitioner / Complainant/ Applicant	Defendant /Respondent	Name & Address of the Court /Arbitration Panel	Amount under consideration	Brief description of case.	Status
1.	Special Civil App. No. 2276/07	January 24, 2007	PLL	Superintendent of Stamps and Others	High Court of Gujarat	Rs. 10,570,408 plus Rs. 2,500,000 as a compensation.	PLL has filed a writ petition challenging the legality and correctness of a circular issued by the Superintendent of Stamps dated May 1, 2006 stating that stamp duty at Re. 1 per Rs. 1000 or part thereof on the value of goods imported through ports should be levied and further a no dues clearance shall not be issued to the vessels without receipt of "Stamp Duty Clearance from the Registrar of Stamp Duty" pursuant to the provisions of the said circular.	The next date of hearing is yet to be notified
2.	W.P. No. 20670 of 2005 and 20672 of 2005	2005	PLL	Dakshin Gujarat Vij, Co. Limited	High Court of Gujarat	Rs. 90,000,000 plus interest.	The petitioner has filed the petition challenging the decision of Collector of Electricity Duty, Gandhinagar, Gujarat for classifying the petitioner as. HTP (II)A industry (under residual category of industries) under the Bombay Electricity Duty Act, 1958, as amended, and hence is liable to pay a duty at the rate of 40% per annum.	The High Court of Gujarat by an order dated October 11, 2005, has granted interim stay in favour of the petitioner. Next date of hearing to be notified.

Numaligarh Refinery Limited (NRL)

In respect of NRL, all criminal proceedings, writ/revision petitions and such other litigation involving a sum of Rs.10,000,000 or more has been disclosed.

The total number of cases against NRL involving an amount less than Rs. 10,000,000 is 3 and the aggregate amount under consideration in such cases is Rs. 9,870,603.

The total number of cases initiated by NRL involving an amount less than Rs. 10,000,000 is 3 and the aggregate amount under consideration in such cases is Rs. 16,649,820.

a. Cases filed against NRL

Sr. No.	Appeal No. /Case No.	Date	Plaintiff/Petitioner / Complainant/ Applicant	Defendant /Respondent	Name & Address of the Court /Arbitration Panel	Amount under consideration	Brief description of case	Status
1.	W P (C) No: 4608 of 20, 2007	September 20, 2007	Mr. Nayanmoni Bharali	NRL represented by its General Manager and others	Guwahati High Court	Nil	Mr. Nayanmoni Bharali had applied for the post of process operator at NRL, however he was not selected for the post. He has filed an appeal before the Guwahati High Court challenging the interview and selection procedure and alleging that he was not appointed despite securing high marks in the written test over and above the other candidates, who were recruited for the post. NRL has filed its affidavit on January 23, 2008 contending that Mr. Nayanmoni Bharali failed to secure qualifying marks hence he was not selected.	The matter is presently pending before the Guwahati High Court and next date of hearing is yet to be notified.
2.	W P (C) No: 4849 of 18, 2007	September 18, 2007	Mr. Biswajit Saikia and Mr. Ranjit Bori	NRL represented by its Chairman and others	Guwahati High Court	Nil	Mr. Biswajit Saikia and Mr. Ranjit Bori had applied for the post of process operator at NRL, however they were not selected for the post. They have filed an application before the Guwahati High Court to consider their appointment against the two vacancies reserved for scheduled tribe category. NRL has filed its reply on November 14, 2007 contending that both Mr. Biswajit Saikia and Mr. Ranjit Bori failed to secure the qualifying marks and hence were not selected.	The matter is presently pending before the Guwahati High Court and the next date of hearing is yet to be notified.

Sr. No.	Appeal No. /Case No.	Date	Plaintiff/Petitioner / Complainant/ Applicant	Defendant /Respondent	Name & Address of the Court /Arbitration Panel	Amount under consideration	Brief description of case	Status
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Arbitration Proceedings

1.	-	July, 2004	M/s Indiana Conveyors Limited, Kolkata	NRL	Arbitration	Rs. 209,198,704 including interest at the rate of 36% per annum.	NRL had awarded a contract in favour of the plaintiff for supply, erection and commissioning of petroleum coke handling system of NRL. During the course of execution of the job, the plaintiff had raised some extra claims as against the terms of its contract and as a result a dispute arose between the parties. The parties have referred the dispute to arbitration.	The matter is currently pending before the arbitrator and the next date of hearing is yet to be notified.
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b. Cases filed by NRL

Sr. No.	Appeal No. /Case No.	Date	Plaintiff/ Petitioner / Complainant/ Applicant	Defendant /Respondent	Name & Address of the Court /Arbitration Panel	Amount under consideration	Brief description of case	Status
1	Revision Petition No. 4079 and 4080 of 2007	September, 2006	NRL	M/s Daelim Engineering Company Limited, South Korea	Supreme Court of India	Rs. 111,000,000 along with interest at the rate of 12% from the date of filing the petition until the date of receiving the amount. In the event of default of paying the amount within six months from the date of the award an interest at the rate of 15% shall be added.	NRL had appointed M/s Daelim Engineering Limited (“DEC”) and its partner M/s Turbo Technica to supply and commission a co-generation power plant at Numaligarh refinery. Differences arose between the parties with respect to amendment of the contract, wherein the defendant requested an amendment in the contract to claim a certain service tax exemption which was rejected by NRL and the matter was referred to arbitration. The arbitrator by an order dated	A curative Petition is proposed to be filed with Supreme Court..

Sr. No.	Appeal No. /Case No.	Date	Plaintiff/ Petitioner / Complainant/ Applicant	Defendant /Respondent	Name & Address of the Court /Arbitration Panel	Amount under consideration	Brief description of case	Status
							<p>September 23, 2000 directed NRL to pay a sum of Rs. 297,600,000 and interest at the rate of 12% from August 7, 1997 to September 23, 2000 and an interest at the rate of 18% per annum in the event of default in making payment as stated above. Aggrieved by the order NRL filed a suit before District Court of Golaghat and the award was set aside. Against the order of the District Judge the defendant filed an appeal before High Court, Guwahati. The Guwahati High Court passed an order dated August 24, 2006 in favour of the defendant.</p> <p>Aggrieved by the decision of the High Court, NRL filed a Special Leave Petition in the Supreme Court. The Supreme Court pursuant to its judgment dated September 6, 2007 directed NRL to pay a sum of Rs. 111, 000,000.</p> <p>NRL has filed the present Review Petition before the Supreme Court to modify the order. Meanwhile , an amount of Rs. 22,000,000 out of Rs. 111,000,000 which was not disputed in the Review Petition has been paid to DEC along with</p>	

Sr. No.	Appeal No. /Case No.	Date	Plaintiff/ Petitioner / Complainant/ Applicant	Defendant /Respondent	Name & Address of the Court /Arbitration Panel	Amount under consideration	Brief description of case	Status
							interest of Rs. 27,900,000 totaling to Rs. 49,900,000 on `.	
							Subsequently, the Review petition was rejected by Supreme Court and NRL is contemplating to file a curative petition with the Supreme Court for an amount of Rs. 89,000,000.	
2	Criminal Revision Application No. 1295 of 2006	December 14, 2006	Numaligarh Refinery Limited represented by Mr. Bruno Ekka, Deputy General Manager (Personnel & Administration) of NRL	Members, Numaligarh Refinery Workers Union	Chief Judicial Magistrate, Golaghat	Nil	The criminal case has been filed under section 147, 341, 353, 294 and 336 of the Criminal Procedure Code of 1973, against Numaligarh Refinery Workers Union representing casual labourers association for damaging the car of Shri Monoj Das, Deputy Manager (Personnel) of NRL and threatening and assaulting him by their members. Cross examination completed and Shri Bruno Ekka, Deputy General Manager (Personnel and Administration) personally appeared before the court on January 9, 2008.	The next date of hearing is yet to be notified.
3	Suit No: 618 of 2006	December 4, 2006	NRL	M/s Naveen Projects Limited, New Delhi	District Judge, Kamrup	Rs. 9,295,271 plus interest at 12% p.a. from January 1, 1997 till the date of award i.e. August 20,	NRL had awarded a contract in favour of M/s Naveen Projects Limited for civil works for hydrocracker and hydrogen unit at Numaligarh refinery. Dispute	The matter is under sub-judice before the District Judge, Kamrup. The next date of hearing is April 5,

Sr. No.	Appeal No. /Case No.	Date	Plaintiff/ Petitioner / Complainant/ Applicant	Defendant /Respondent	Name & Address of the Court /Arbitration Panel	Amount under consideration	Brief description of case	Status
						2006 which comes to Rs. 20,046,799. Further an interest at 8% over Rs. 20,046,799 is payable from August 20, 2006 till the date of payment.	<p>arose between the parties with respect to completion of work within the time schedule and the dispute was referred to arbitration. The arbitrator by an order dated August 20, 2006 passed an order against NRL. Aggrieved by the award given by the arbitrator, NRL has filed an appeal before the District Judge, Kamrup.</p> <p>The defendant has submitted their reply on March 28, 2007 denying NRL's contention.</p> <p>The Court has called for the original records of the case from the Indian Council of Arbitration.</p>	2008.
4	Suit No. 23 of 06	November 16, 2005	NRL	M/s Ranjul Baruah, Guwahati	District Judge, Kamrup	Rs. 5,447,027 along with interest at 12% per annum w.e.f. January 1, 1996 until the payment is made together with a sum of Rs. 150,000 as cost.	<p>NRL had awarded a contract in favour of M/s Ranjul Baruah for site grading and construction of road Phase-I (Part-III) at Numaligarh refinery. Differences arose between NRL and the defendant with respect to the payment where in the defendant had made a claim to release additional amount due under the contract, which was denied by NRL and the dispute was referred to arbitration. The arbitrator by an order dated 7.8.2005 passed the award against NRL.</p>	<p>The matter is under sub-judice with District Judge, Kamrup.</p> <p>The next date of hearing is on March 29, 2008.</p>

Sr. No.	Appeal No. /Case No.	Date	Plaintiff/ Petitioner / Complainant/ Applicant	Defendant /Respondent	Name & Address of the Court /Arbitration Panel	Amount under consideration	Brief description of case	Status
							Aggrieved by the award given by the arbitrator, NRL has filed an appeal before the District Judge, Kamrup.	
							The defendant has submitted their reply on June 19, 2006 denying the NRL's contention and supporting the arbitration award.	

Petronet CCK Limited (PCCKL)

The total number of cases against PCCKL involving an amount less than Rs. 10,000,000 is 23 and the aggregate amount under consideration in such cases is Rs. 1,260,000.

The total number of cases initiated by PCCKL involving an amount less than Rs. 10,000,000 is 5 and the aggregate amount under consideration in such cases is Rs. 1,210,000.

There is no litigation exceeding a sum of Rs. 10,000,000 instituted against or by PCCKL.

Petronet India Limited (PIL)

As on the date of filing this DRHP, there are no litigation proceedings by or against PIL.

Bharat PetroResources Limited (BPL)

As on the date of filing this DRHP, there are no litigation proceedings by or against BPL.

VI eTrans Private Limited (VTPL)

Except for one (1) case filed against VTPL involving a sum of Rs. 482,548, there are no litigation pending against VTPL.

As on the date of filing this DRHP, there are no litigation proceedings by VTPL.

Central UP Gas Limited (CUGL)

As on the date of filing this DRHP, there are no litigation proceedings by or against CUGL.

Maharashtra Natural Gas Limited (MNGL)

As on the date of filing this DRHP, there are no litigation proceedings by or against MNGL.

Sabarmati Gas Limited (SGL)

As on the date of filing this DRHP, there are no litigation proceedings by or against SGL.

Bharat Stars Services Private Limited (BSSPL)

As on the date of filing this DRHP, there are no litigation proceedings by or against BSSPL.

Material developments since the last balance sheet date

In the opinion of the Board, other than as disclosed in this Draft Red Herring Prospectus, there has not arisen, since the date of the last financial statements set out herein, any circumstance that materially or adversely affects our profitability taken as a whole or the value of our consolidated assets or our ability to pay our material liabilities over the next twelve months.

GOVERNMENT AND OTHER APPROVALS

Our Company has obtained the necessary approvals required to conduct its business and undertake the Issue and no further approvals from any government authorities/RBI are required by our Company to undertake its current activities. All such approvals are listed below. Unless stated otherwise, all such approvals are valid as of the date of this Draft Red Herring Prospectus.

A. Approvals for the Issue

The Issue has been authorized pursuant to the resolution of our Board dated January 18, 2008 and by a special resolution passed pursuant to Section 81 (1A) of the Companies Act at the EGM of the shareholders of our Company held on January 23, 2008.

We have obtained all the required consents from the lenders of our Company in terms of the Sanctioned Project Loan entered into with them.

We have received in-principle approval from the NSE and the BSE for the listing of our Equity Shares pursuant to letters dated [●] and [●], respectively.

Further, in the event our Promoter's stake in our Company becomes temporarily above 51% prior to the Allotment, our Company would be designated as a Government Company in terms of Section 617 of the Companies Act and we would be required to obtain the prior approval of the FIPB for permitting the investments made by FII's and other foreign investors in the present Issue

B. Approvals for our Business

Approvals for our business as acquired by us are listed below. We have discussed the approvals under various heads.

1. General Approvals:

1. Permanent Account Number: AABC7084M.
2. Certificate of Incorporation: February 25, 1994
3. Corporate Identification Number: U11101MP1994PLC008162
4. Certificate of commencement of business: May 16, 1994
5. Taxpayer Identification Number:
Sales Tax: 23953602314
Professional Tax: 795936002309
6. Certificate of Importer-Exporter Code: IEC number 1106007671 issued by the Government of India on March 16, 2007
7. Approval (granted to BPCL) by the Department of Industrial Policy and Promotion on November 22, 1993, for foreign investment in relation to setting up a joint venture with OOCL, for implementation of the Refinery.

2. Approvals for Foreign Collaboration from the Department of Industrial Policy and Promotion:

Sl. No	Description for license/ permit	Foreign Collaborator /Partner	Issue Authority	Date of Issue	Duration
1.	Approval for foreign technology collaboration, for setting up of a delayed coking unit of 1,360,000 MTPA capacity, at the Refinery.	M/s. Lummus Technology Inc	Department of Industrial Policy and Promotion, Secretariat for Industrial Assistance, Government of India	July 27, 2006	July 30, 2016 or 7 years from the date of commercial production, whichever is later.
2.	Approval for collaboration in	M/s. Universal Oil Products LLC	Department of Industrial Policy	First approval for	10 years from the date of the

Sl. No	Description for license/ permit	Foreign Collaborator /Partner	Issue Authority	Date of Issue	Duration
	foreign technology, for the purpose of setting up a Naphtha Hydrotreater Unit of 1,000,000 MTPA capacity and Light Naphtha Isomerisation Unit of 325,000 MTPA capacity, under 6 MMTPA capacity at the Refinery.		and Promotion, Secretariat for Industrial Assistance, Government of India	technical collaboration was granted on July 16, 1996. Subsequent approval for the amendment agreement dated September 1, 2006 was granted on July 27, 2006.	agreement or 7 years from the date of commercial production, whichever is later.
3.	Approval for collaboration in foreign technology, for the purpose of setting up an Integrated Hydrocracker Unit (capacity 1,832,000 MTPA) and a Diesel Hydrotreater Unit (capacity 1,637,000 MTPA), under 6 MMTPA capacity at the Refinery.	M/s. Chevron Lummus Global LLC	Department of Industrial Policy and Promotion, Secretariat for Industrial Assistance, Government of India	First approval for technical collaboration was granted on October 24, 1997. Subsequent approval for the amendment agreement dated July 1, 2006 was granted on July 27, 2006.	March 30, 2007 or 7 years from the date of commercial production, whichever is later.
4.	Approval for foreign technology collaboration, granted for setting up of a Hydrogen Generation Unit under 6 MMTPA capacity at the Refinery.	M/s Technip Benelux B.V.	Department of Industrial Policy and Promotion, Secretariat for Industrial Assistance, Government of India	First approval for technical collaboration was granted on October 24, 1997. Subsequent approval for the change in name and payment terms was granted on August 22, 2006.	November 5, 2007 or 7 years from the date of commercial production, whichever is later.

3. *Notifications granting exemption on duties*

Sl. No	Details of Notification	Issuing Authority	Date of Issue	Expiry Date
1.	Notification No. A-3-107-98-ST-V(29) dated April 4, 2001(further amended by a notification dated September 15, 2006) issued under Section 8(5) of the Central Sales Tax Act, 1956 exempting our Company from payment of any tax with respect to sale of refined oil and other petroleum products manufactured by our Company at the Refinery to the extent of Rs. 37,500,000,000 or 50% of actual investment in fixed assets up to the date of commencement of	Government of Madhya Pradesh, Commercial Tax Department, Bhopal	April 4, 2001	15 years from the date of commencement of commercial production.

Sl. No	Details of Notification	Issuing Authority	Date of Issue	Expiry Date
	commercial production whichever is less.			
2.	Notification No. A-3-107-98-ST-V(31) dated April 4, 2001 (further amended by a notification dated August 22, 2006 and notification dated September 15, 2006) issued under Section 10 of the Madhya Pradesh Sthaniya Kshethra Me Mal Ke Pravesh Par Kar Adhiniyam, 1976 ("Entry Tax Act") exempting payment of any tax for entry of crude oil as specified in clause (ii-c) of Section 14 of the Central Sales Tax Act, 1956.	Government of Madhya Pradesh, Commercial Tax Department, Bhopal.	April 4, 2001	15 years from the date of first purchase of the crude oil as specified in clause (ii-c) of Section 14 of the Central Sales Tax Act, 1956.
3.	Notification No. 5691, dated September 29, 2004 under Section 3-B of the Madhya Pradesh Electricity Duty Act, 1949 (application to our Company confirmed by letter no. 2414/13/2006 dated April 20, 2006) exempting industries that generate electricity either by way of gas/hydel/thermal or other type of power plant for self consumption from payment of electricity duty subject to obtaining eligibility certificate from the Electrical Inspector.	Government of Madhya Pradesh, Energy Department	September 29, 2004	5 years from the date of commencement of generation of electrical energy by the plant.
4.	Notification No. A-3-107-98-ST-V(30) dated April 4, 2001 under Section 17 of Madhya Pradesh Vanijyik Kar Adhiniyam, 1994 for exemption on payment of tax under the adhiniyam on crude oil by our Company.	Government of Madhya Pradesh, Commercial Tax Department	April 4, 2001	April 3, 2017
5.	Notification No. 4328 XIII- 2006, dated July 12, 2006 (application to our Company confirmed by letter no. 5106/13/2006 Government of Madhya Pradesh, Energy Department dated August 4, 2006) for exemption from the payment of electricity duty on the electrical energy produced by the captive Power Plant of the Project for self consumption.	Government of Madhya Pradesh, Energy Department	July 12, 2006	10 years from 180 days of trial production date of electrical energy from power generating plant or the date on which power generating plant achieves normal full load output, whichever is earlier.
6.	Notification No. A3-107-98-ST V-44 issued under Section 10 of the Madhya Pradesh Sthaniya Kshethra Me Mal Ke Pravesh Par Kar Adhiniyam, 1976 (as amended by notification dated August 22, 2006) exempting the goods used in construction of the Refinery, laying of pipeline and installation of machinery from payment of entry tax.	Government of Madhya Pradesh, Energy Department	May 1, 1999	March 31, 2009

4. Central Excise Registration

S. No	Description of Permit/Licence	Issuing Authority	Date of Issue	Expiry Date
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1.	Central Excise Registration Certificate bearing registration no. AABCB7084MXM001 under Rule 9 of the Central Excise Rules, 2002, for manufacturing of excisable goods at the Refinery.	Assistant Commissioner, Customs & Central Excise	May 2, 2006	Valid until cancelled
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5. *Service Tax Registrations*

S. No	Description of Permit/Licence	Issuing Authority	Date of Issue	Expiry Date
1.	Certificate of registration bearing registration no. AABCB7084MST002 under Section 69 of the Finance Act, 1994, for services of consulting engineer and transport of goods by road at Mahul, Mumbai.	Office of the Assistant/ Deputy Commissioner of Service Tax, Division -V, Mumbai	September 5, 2006.	Valid until cancelled
2.	Certificate of registration bearing registration no. AABCB7084MST001 under Section 69 of the Finance Act, 1994, for services of consulting engineering and goods transport agency at Bina, District Sagar, Madhya Pradesh.	Office of Superintendent, Central Excise, Sagar	August 17, 2006	Valid until cancelled

6. *Sales tax related approvals*

S. No	Description of Permit/Licence	Issuing Authority	Issue Date	Expiry Date
1.	Registration as a dealer under Sections 7(1) and 7(2) of the Central Sales Tax Act, 1956 for the products as per the approval.	Office of Commercial Tax Department, Bhopal	March 10, 2006	Valid until cancelled

7. *Environment Approvals*

S. No	Description of Permit/Licence	Issuing Authority	Issue Date	Expiry Date
REFINERY BLOCK				
1.	Environmental Clearance for setting up of the Refinery, captive Power Plant and marketing terminal at Bina, Madhya Pradesh.	Ministry of Environment & Forests, Government of India, New Delhi.	February 16, 1995	Valid until cancelled
2.	Permission to establish the Refinery.	Madhya Pradesh Pollution Control Board, Bhopal	September 23, 1995	Valid until cancelled
3.	Permission to establish captive Power Plant at Bina, Madhya Pradesh.	Madhya Pradesh Pollution Control Board, Bhopal	June 16, 1998	Valid until cancelled
INTERCONNECTING AND CROSS COUNTRY PIPELINES				
1.	Environmental Clearance for SPM, COT, submarine pipeline and crude oil cross country pipeline.	Ministry of Environment & Forests, Government of India, New Delhi	September 20, 1995	Valid until cancelled
2.	Recommendation for clearance under CRZ notification for setting up SPM facilities in Gujarat Maritime Board waters, laying of pipelines from SIH (off shore) to COT and setting up COT.	Forest and Environment Department, Government of Gujarat	June 10, 1998	Valid until cancelled
3.	Approval for the proposed change in	Ministry of	June 29, 1998	Valid until

	the location of the SPM from Kandla Port Trust water limits to Gujarat Maritime Board water limits.	Environment & Forests, Government of India		cancelled
4.	Approval for the proposed change in the sub sea pipeline route which was originally approved by the Ministry of Environment & Forests, Government of India on September 20, 1995 and June 29, 1998.	Ministry of Environment & Forests, Government of India	March 2, 2000.	Valid until cancelled
5.	Letter No. 8c/12/458/92-FCW/500 under the Forest (Conservation) Act, 1980 approving laying of crude oil pipeline in the forest area extending over an area of 15.177 hectares in Jabua and Vidisha district.	Ministry of Environment and Forests, Government of India	February 19, 2002	Valid until cancelled
6.	No objection certificate further amended and granted by Gujarat Pollution Control Board on May 30, 1998, for establishment of SPM, submarine/onshore pipeline, crude oil terminal at Vadinar and Singach at Jamnagar District for receipt/storage/pumping of crude oil to the Refinery.	Gujarat Pollution Control Board	September 22, 1995	Valid until cancelled
7.	Revalidation of the no objection certificate issued on September 22, 1995 with respect to change in the submarine pipeline route in SPM in Gujarat Maritime Board waters to COT.	Gujarat Pollution Control Board	October 20, 1999	Valid until cancelled
8.	NOC for laying of cross country crude oil pipeline from Jhabua to Bina.	Madhya Pradesh Pollution Control Board, Bhopal	May 16, 1997	Valid until cancelled
9.	Letter no. JMN/234/36421 certifying that, in light of and subject to various approvals granted for the crude oil pipeline, a separate NOC for the same is not required.	Gujarat Pollution Control Board.	November 22, 1997	-
10.	Approval under Section 29 of the Wildlife (Protection) Act, 1972 for laying submarine pipeline from SPM to COT near Vadinar.	Chief Conservator of Forests and Chief Wildlife Warden, Government of Gujarat	Originally granted on February 4, 2000 and revalidated on February 26, 2003	Valid until cancelled
11.	Revalidation of approval by Chief Conservator of Forests for diversion of 32.461 hectares of forest land for the purpose of construction of crude import facilities consisting of SPM, crude oil terminal with inter-connecting sub-sea/onshore pipeline near Vadinar, Jamnagar, Gujarat, under Section 2 of the Forest (Conservation) Act, 1980 ¹ .	Chief Conservator of Forests Wildlife and Nodal Officer for Foreign Conservation Act, Gujarat State, Gandhinagar	Revalidated on February 26, 2003	Valid until cancelled
12.	Letter no. F-5/116/97/10/3 approving under the Forest (Conservation) Act, 1980 for laying of crude oil pipeline in the forest area extending over an area of 15.177 hectares in Jabua and Vidisha district.	Forest Department, Government of Madhya Pradesh	March 19, 2002	Valid until cancelled

¹. Pursuant to the approval granted by the Ministry of Environment and Forests, Government of India pursuant to a letter dated November 21, 2002 and by the Chief Conservator of Forests pursuant to a letter dated February 26, 2003 for diversion of 32.461 hectares of forest land in favour of our Company for the purpose of construction of crude import facilities consisting of SPM, crude oil terminal with inter-connecting sub-sea/onshore pipeline near Vadinar, Jamnagar, Gujarat, the Conservator of Forests, Jamnagar has entered into an agreement with our Company on March 12, 2003 specifying the conditions to be fulfilled as per the approval. The conditions specified include among others that the legal status of forest land should remain unchanged, compensatory afforestation should be carried out, non-forest land should be transferred to the Forest Department for compensatory afforestation, forest land should not be used for purposes other than those mentioned in the proposal.

8. Other Project related approvals

S. No	Description of Permit/Licence	Issuing Authority	Issue Date	Expiry Date
1	Letter no. P-2 (4) 588 approving the laying of the cross country crude oil pipeline from COT to the Refinery.	Petroleum and Explosives Safety Organisation, Government of India	November 7, 2007	Valid until cancelled

9. Labour related approvals

S. No	Description of Permit/Licence	Issuing Authority	Issue Date	Expiry Date
1.	Recognition to the Employer Provident Fund of the Company	Commissioner of Income Tax, Bhopal	March 11, 1997	Valid until cancelled
2.	Certificate of registration as principal employer under Section 7(2) of the Contract Labour (Regulation and Abolition) Act, 1970.	Assistant Labour Commissioner, Jabalpur	March 13, 1996	Valid until cancelled
3.	Certificate of registration as principal employer under Section 7(2) of the Contract Labour (Regulation and Abolition) Act, 1970.	Regional Labour Commissioner, Ahmedabad	August 29, 1997	Valid until cancelled
4.	License no. J-46 (1-150)/2007.ALC for development of township to accommodate staff at site of the Refinery.	Licensing Officer, Jabalpur	December 7, 2007	December 6, 2008
5.	License No. J-44(1-134)/2007/ ALC, under the Contract Labour (Regulation and Abolition) Act, 1970, issued to M/s Vijay Tanks and Vessels Limited for carrying out fabrication and erection of coke drums at Bina Refinery.	Assistant Labour Commissioner (Central) Jabalpur, Madhya Pradesh	January 3, 2008	January 2, 2009
6.	License No. J-46(1-157)/2007/ALC, under the Contract Labour (Regulation and Abolition) Act, 1970, issued to M/s VRC Constructions India Private Limited, for construction of control room and sub stations at Bina Refinery.	Assistant Labour Commissioner (Central) Jabalpur, Madhya Pradesh	January 4, 2008	January 3, 2009
7.	License No J-46(1-89)/2007/ ALC, under the Contract Labour (Regulation and Abolition) Act, 1970, issued to M/s VRC Construction Private Limited, for underground piping work for offsites at Bina Refinery.	Assistant Labour Commissioner, (Central) Jabalpur, Madhya Pradesh	August 14, 2007	August 13, 2008
8.	License No J-46(1-125)/2006/ ALC, under the Contract Labour (Regulation and Abolition) Act, 1970, issued to M/s VRC Construction Private Limited, for underground piping work for CDU/VDU (Part A) at Bina Refinery.	Assistant Labour Commissioner, (Central) Jabalpur, Madhya Pradesh	December 14, 2006	Until completion of work
9.	License No J-46(1-126)/2006/ ALC,	Assistant Labour	December 15,	December

S. No	Description of Permit/Licence	Issuing Authority	Issue Date	Expiry Date
	under the Contract Labour (Regulation and Abolition) Act, 1970, issued to M/s VRC Construction Private Limited, for civil and structural works for CDU/VDU (Part A) at Bina Refinery.	Commissioner, (Central) Jabalpur, Madhya Pradesh	2006	14, 2008
10.	License No. J-44(R-125)/2007/ALC, under the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, issued to M/s Petron Engineering Construction Limited for construction of fired heater for HCU / DHDT at Bina Refinery.	Assistant Labour Commissioner (Central) Jabalpur, Madhya Pradesh	December 4, 2007	Until completion of work
11.	License No J-46(1-148)/2007/ALC, under the Contract Labour (Regulation and Abolition) Act, 1970, issued to M/s Petron Engineering Construction Limited for fired heaters for HCU/ DHDT at Refinery Site.	Assistant Labour Commissioner, (Central) Jabalpur, Madhya Pradesh	December 5, 2007	December 3, 2008
12.	License No. J-44(R-98)/2007/ALC, under the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, issued to M/s Dowel Erectors Private Limited, Chennai for collection of materials from BHEL, client's stores/ storage yard, transportation, erection, testing, assistance for commissioning and trial operations, handling of CFBC boiler and auxiliaries including ESP rotation machines, ducts and dampers, fuel piping, boiler intermediate piping etc. the Bina Refinery.	Assistant Labour Commissioner (Central) Jabalpur, Madhya Pradesh	October 12, 2007	Until completion of work
13.	License No. J-46(1-117)/2007/ALC, under the Contract Labour (Regulation and Abolition) Act, 1970, issued to M/s Dowel Erectors Private Limited, Chennai for collection of materials from BHEL, client's stores, storage yard, transportation, erection, testing, assistance for commissioning and trial operations, handling of CBFC boiler and auxiliaries including ESP rotation machines, ducts and dampers, fuel piping, boiler intermediate piping etc. the Bina Refinery.	Assistant Labour Commissioner (Central) Jabalpur, Madhya Pradesh	October 12, 2007	October 11, 2008
14.	License No. J-46(1-105)/2007/AALC, under the Contract Labour (Regulation and Abolition) Act, 1970, issued to M/s Arun Construction, Delhi for unloading and handling of storage of incoming materials at Bina Refinery.	Assistant Labour Commissioner (Central) Jabalpur, Madhya Pradesh	September 25, 2007	September 24, 2008
15.	License No. J-46(1-88)/2007/ ALC, under the Contract Labour (Regulation and Abolition) Act 1970, issued to M/s M.S. Enterprises for construction of multi fuel RCC chimney at 3x33 MW, STG project at Bina Refinery.	Assistant Labour Commissioner (Central) Jabalpur, Madhya Pradesh	August 13, 2007	August 12, 2008
16.	License No. J-46(R-85)/2007/ ALC, under the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, issued to M/s M.S.	Assistant Labour Commissioner (Central) Jabalpur, Madhya Pradesh	August 13, 2007	Until completion of work

S. No	Description of Permit/Licence	Issuing Authority	Issue Date	Expiry Date
	Enterprises for construction of multi fuel RCC chimney at 3x33 MW, STG project at Bina Refinery.			
17.	License No. J-44(R-104)/2006/ ALC, under the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, issued to M/s Satya Prakash Builders Limited for development of township for staff and workmen at the Bina Refinery.	Assistant Labour Commissioner (Central) Jabalpur, Madhya Pradesh	November 2, 2006	Until completion of work
18.	License No. J-46(1-68)/2007/ ALC, under the Contract Labour (Regulation and Abolition) Act, 1970, issued to M/s Bridge and Roof Co (India) Limited for mechanical works comprising erection of equipment, fabrication and erection of piping, painting and other related civil and structural works of CDU/VDU block at Bina Refinery.	Assistant Labour Commissioner, (Central) Jabalpur, Madhya Pradesh	July 10, 2007	July 9, 2008
19.	License No. J-44(R-70)/2007/ALC under the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 issued to M/s Bridge and Roof Co. (India) Limited for mechanical work comprising erection of equipment and machinery, fabrication and erection of piping, painting and other related civil and structural works of CDU/VDU block at Bina Refinery.	Assistant Labour Commissioner, (Central) Jabalpur, Madhya Pradesh	July 12, 2007	Until completion of work
20.	License No. J-46(1-130)/2007/ ALC, under the Contract Labour (Regulation and Abolition) Act, 1970, issued to M/s Gannon Dunkerley Company Limited for construction and installation of raw water treatment plant at Bina Refinery.	Assistant Labour Commissioner, (Central) Jabalpur, Madhya Pradesh	November 8, 2007	November 7, 2008
21.	License No. J-46(1-23)/2007/ ALC, under the Contract Labour (Regulation and Abolition) Act, 1970, issued to M/s India Tube Mills and Metal Industries Limited, Mumbai for crude oil and intermediate tankages works at Bina Refinery.	Assistant Labour Commissioner, (Central) Jabalpur, Madhya Pradesh	April 10, 2007	April 8, 2008
22.	License No. J-46(1-54)/2007/ ALC, under the Contract Labour (Regulation and Abolition) Act, 1970, issued to M/s Neo Structo Construction Limited for mechanical works of CDU/VDU heaters with air pre-heater system and stack at Bina Refinery.	Assistant Labour Commissioner, (Central) Jabalpur, Madhya Pradesh	June 15, 2007	June 14, 2008
23.	License No. J-46(R-60)/2007/ ALC, under the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, issued to M/s Neo Structo Construction Limited for mechanical works of CDU/VDU heaters with air pre-heater system and stack at Bina Refinery.	Assistant Labour Commissioner, (Central) Jabalpur, Madhya Pradesh	June 15, 2007	Until completion of work
24.	License No. J-44(1-40)/2007/ ALC, under the Building and other Construction Workers (Regulation of Employment and Conditions of Service)	Assistant Labour Commissioner, (Central) Jabalpur, Madhya Pradesh	May 10, 2007	Until completion of work

S. No	Description of Permit/Licence	Issuing Authority	Issue Date	Expiry Date
	Act, 1996, issued to M/s Chouhan Arts, Bhopal for barbed wire and chain link fencing works at Bina Refinery.			
25.	License No. J-46(1-143)/2007/ ALC, under the Contract Labour (Regulation and Abolition) Act, 1970, issued to M/s Offshore Industrial Construction Private Limited for construction of underground piping for block HCU/DHDT at Bina Refinery.	Assistant Labour Commissioner, (Central) Jabalpur, Madhya Pradesh	November 26, 2007	November 25, 2008
26.	License No. J-46(1-118)/2007/ ALC, under the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, issued to M/s Offshore Industrial Construction Private Limited for underground piping for MS Block/HCU/HDT at Bina Refinery.	Assistant Labour Commissioner, (Central) Jabalpur, Madhya Pradesh	November 11, 2006	Until completion of work
27.	License No. J-46(1-93)/2006, under the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, issued to M/s Offshore Industrial Construction Private Limited, Bhopal, for construction of water storage and distribution system at Bina refinery.	Assistant Labour Commissioner, (Central) Jabalpur, Madhya Pradesh	October 9, 2006	Until completion of work
28.	License No. J-44(1-36)/2007/ ALC, under the Contract Labour (Regulation and Abolition) Act, 1970, issued to M/s Chouhan Arts for barbed wire and chain link fencing works at Bina Refinery.	Assistant Labour Commissioner, (Central) Jabalpur, Madhya Pradesh	May 9, 2007	May 8, 2008
29.	License No. J-44(1-40)/2007/ ALC, under the Contract Labour (Regulation and Abolition) Act, 1970, issued to M/s Chouhan Arts for barbed wire and chain link fencing work at Bina Refinery.	Assistant Labour Commissioner, (Central) Jabalpur, Madhya Pradesh	May 10, 2007	Until completion of work
30.	License No. J-46 (1-51)/2007/ AALC, under the Contract Labour (Regulation and Abolition) Act, 1970, issued to M/s SEW Construction Limited for civil, structural and architectural work for STG Boiler and auxiliaries, ESP, bunker, plant buildings at complete at 3X33 MW, STG project at Bina Refinery.	Assistant Labour Commissioner, (Central) Jabalpur, Madhya Pradesh	June 13, 2007	June 12, 2008
31.	License No J-44(R-96)/2007/ ALC, under the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, issued to M/s Gammon India Limited for cooling tower and cooling water treatment plant at Bina Refinery.	Assistant Labour Commissioner, (Central) Jabalpur, Madhya Pradesh	September 26, 2007	Until completion of work
32.	License No J-44(R-95)/2006/ ALC, under the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, issued to M/s MSK Projects (India) Limited for development of township for staff/ workmen at Bina Refinery.	Assistant Labour Commissioner, (Central) Jabalpur, Madhya Pradesh	October 16, 2006	Until completion of work
33.	License No. J-44(R-61)/2006/ ALC, under the Building and other Construction Workers (Regulation of Employment and Conditions of Service)	Assistant Labour Commissioner, (Central) Jabalpur, Madhya Pradesh	July 12, 2006	Until completion of work

S. No	Description of Permit/Licence	Issuing Authority	Issue Date	Expiry Date
	Act, 1996, issued to M/s MSK Projects (India) Limited for site grading, roads, drains and culverts at Bina Refinery.			
34.	License No. J-44(1-102)/2006/ALC, under the Contract Labour (Regulation and Abolition) Act, 1970, issued to M/s MSK Projects (India) Limited for development of township for staff/workmen at Bina Refinery.	Assistant Labour Commissioner, (Central) Jabalpur, Madhya Pradesh	October 4, 2007	October 15, 2008
35.	License No. ALC/ADP/46(474)/2007, under the Contract Labour (Regulation and Abolition) Act, 1970, issued to MSK Projects (India) Limited, Baroda, for contract work of civil and structural works for control room, sub station, fire station, reservoir, pump houses, pipeline sleepers, road Ph-II and associated electrical works etc at COT – Vadinar for Bina Refinery.	Assistant Labour Commissioner, (Central) Adipur, Gujarat	September 17, 2007	September 16, 2008
36.	License No J-46(1-121)/2007/ALC, under the Contract Labour (Regulation and Abolition) Act, 1970, issued to M/s Hindustan Dorr Oliver Limited for effluent treatment plant at Bina Refinery.	Assistant Labour Commissioner, (Central) Jabalpur, Madhya Pradesh	October 25, 2007	October 24, 2008
37.	License No. J-44(R-101)/2007/ALC, under the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, issued to M/s Punj Lloyd Limited for construction work in sulphur block at Bina Refinery.	Assistant Labour Commissioner, (Central) Jabalpur, Madhya Pradesh	October 25, 2007	Until completion of work
38.	License No. ALC/ADP/46(435)/2007, under the Contract Labour (Regulation and Abolition) Act, 1970, issued to M/s Essar Constructions (India) Limited for laying pipeline and associated works for Vadinar-Bina crude oil pipeline project passing through the districts of Jamnagar, Rajkot, Surendranagar, Ahmedabad, Kheda, Anand, Baroda, Panchmahals, and Dahod.	Assistant Labour Commissioner, (Central) Adipur, Gujarat	August 23, 2007	August 22, 2008
39.	License No. J-44 (R-48)/2007/ ALC, under the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 issued to M/s SEW Construction Limited for civil, structural and architectural work for STG Boiler and auxiliaries, ESP, bunker, plant buildings at complete at 3X33 MW STG project at Bina Refinery.	Assistant Labour Commissioner, (Central) Jabalpur, Madhya Pradesh	June 13, 2007	Until completion of work
40.	License no. ALC/ADP/R23/2007 under the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 issued to M/s Essar Constructions (India) Limited for pipeline laying and associated work for the Vadinar-Bina Pipeline.	Assistant Labour Commissioner, (Central) Jabalpur, Madhya Pradesh	August 23, 2007	Until completion of work
41.	License no. ALC/ADP/L219/2007 under the Contract Labour (Regulation and Abolition) Act, 1970 issued to Maj.	Assistant Labour Commissioner, (Central) Adipur	April 19, 2007	April 18, 2008

S. No	Description of Permit/Licence	Issuing Authority	Issue Date	Expiry Date
	(Retd.) Rama Shankar Tiwari for deployment of security personnel in the establishment of the Company, Crude Oil Terminal, Singach, Vadinar District, Jamnagar.	(Kutch)		
42.	License no. J-44(R-70)/2007/ALC under the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 issued to M/s Bridge and Roof Co. (India) Limited for mechanical work comprising erection of equipment and machinery, fabrication and erection of piping, painting and other related civil and structural works of CDU/VDU block at Bina Refinery.	Assistant Labour Commissioner, (Central) Jabalpur, Madhya Pradesh	July 12, 2007	Until completion of work

10. Utility Approvals

S. No	Description of Permit/Licence	Issuing Authority	Issue Date	Expiry Date
1	Letter no. 2915/92/M/31 confirming the availability of 10MGD water for the Refinery without affecting supply for irrigation and dams in the region.	State Irrigation Department	January 31, 1995	Valid until cancelled
2.	Letter no. SE (Commercial)/HT/EZ/2/586 sanctioning 18 MVA power at 132 KV for the Project.	Madhya Pradesh Poorva Kshetra Vidyut Vitran Company Limited	June 28, 2007	Valid until cancelled
3.	Letter No. EZ/SE(Com)/5836 dated December 6, 2006 sanctioning 6,150 kva power to our Company for construction of the Refinery in a phased manner.	M.P. Poorva Kshetra Vidyut Vitran Company Limited	December 6, 2006	Valid until cancelled

11. Application made for renewal of license

We have made an application to obtain renewal of Navigational Safety in Ports Committee clearance for the SPM from Directorate of Shipping, Mumbai until December 2009 by a letter dated December 15, 2007. The application is currently pending.

12. Approvals/Licenses Required

In addition to the licenses and approvals listed in this section, at the time of commencement of commercial operations, our Company shall be required to obtain various approvals from governmental and other authorities such as approvals under the Factories Act, the Petroleum Act and the PNG Act. We shall apply for such approvals as and when required.

13. Approvals for RoU and RoW

To lay down pipelines over a stretch of 935 kilometers of land in Madhya Pradesh and Gujarat for the Refinery at Bina, our Company has acquired approvals for RoU from private land owners and RoW from the relevant government authorities.

RoU:

The approvals for RoU have been obtained by the Central Government on behalf of our Company in accordance with the provisions of the Pipelines Act. The approval was initially obtained by the Central Government by publication of a notification in the official gazette under Sections 3(1) and 6(1) of the Pipelines Act. The details of the land to be acquired for the RoU was also specified in the schedule

appended to the notifications. Further in exercise of powers under Section 6(4) of the Pipelines Act, the Central Government by publication of notification has also directed that, the RoU in the lands shall vest with our Company instead of the Central Government. For details on the process of acquiring RoU, see the Section “Regulations and Policies in India” beginning at page 85.

RoW

With respect to RoW, our Company has sought specific approvals from relevant government authorities such as Western Railways, the Ministry of Environment and Forests, the Roads and Bridges Department, Sardar Sarovar Narmada Nigam Limited, etc. for laying of pipelines crossing railways tracks, roads, rivers, forest land, canals etc.

OTHER REGULATORY AND STATUTORY INFORMATION

Authority for the Issue

The Company

The Issue has been authorised by a resolution of our Board dated January 18, 2008.

The shareholders of the Company have authorised the Issue by a special resolution passed pursuant to Section 81(1A) of the Companies Act at the EGM of our Company held on January 23, 2008.

The Board of Directors has approved the Draft Red Herring Prospectus pursuant to its resolution dated March 27, 2008.

Prohibition by SEBI, RBI or Government Authorities

Our Company, the Promoter, the directors or person(s) in control of the Promoter or the Promoter Group and the companies in which the Directors are associated as directors, or our Directors, (other than as disclosed in this Draft Red Herring Prospectus) have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

None of the Company, the Promoter or its Directors, Promoter Group Companies and the companies in which the Directors are associated as directors has been declared to be willful defaulters by the RBI or government authorities. There are no violations of securities laws committed by any them in the past and no such proceedings are pending against them.

Eligibility for the Issue

The Company is not eligible for the Issue in accordance with Clause 2.2.1 of the SEBI Guidelines. Therefore, we are required to comply with the conditions of Clause 2.2.2 of the SEBI Guidelines for this Issue. Clause 2.2.2 of the SEBI Guidelines states as follows:

“An unlisted company not complying with any of the conditions specified in Clause 2.2.1 may make an initial public offering of equity shares or any other security which may be converted into or exchanged with equity shares at a later date, only if it meets both the conditions in (a) and (b) given below:

- (a) (i) *The issue is made through the book building process, with at least 50% of the net offer to the public being allotted to the Qualified Institutional Buyers (QIBs), failing which the full subscription monies shall be refunded.*

OR

- (ii) *The “project” has at least 15% participation by Financial Institutions/Scheduled Commercial Banks, of which at least 10% comes from the appraiser(s). In addition to this, at least 10% of the issue size shall be allotted to QIBs, failing which the full subscription monies shall be refunded.*

AND

- (b) (i) *The minimum post issue face value capital of the company shall be Rs. 10 crores.*

OR

- (ii) *There shall be compulsory market making for at least 2 years from the date of listing of the shares subject to the following:*

- (a) *Market makers undertake to offer buy and sell quotes for a minimum depth of 300 shares;*
- (b) *Market makers undertake to ensure that the bid ask spread (difference between quotations for sale and purchase) for their quotes shall not at any time exceed 10%;*
- (c) *The inventory of the market makers on each of such stock exchanges, as on the date of allotment of securities, shall be at least 5% of the proposed issue of the company.”*

The Company is an unlisted company not complying with the conditions specified in Clause 2.2.1 of the SEBI Guidelines and is, therefore, required to meet both the conditions detailed in sub clauses (a) and (b) of Clause 2.2.2 of the SEBI Guidelines. Accordingly, in compliance with Clause 2.2.2 of the SEBI Guidelines, the Issue is being made through the Book Building Process, with at least 50% of the Net Issue being allotted to the QIBs. In case we do not receive subscriptions for at least 50% of the Net Issue from the QIBs, we shall forthwith refund the subscription monies. Our Company will also comply with Clause 2.2.2(b)(i) of the SEBI Guidelines and the post Issue face value capital of the Company shall be Rs. [●], which is more than the minimum requirement of Rs. 100,000,000.

Accordingly, we are eligible under Clause 2.2.2 of the SEBI Guidelines.

Further, in accordance with Clause 2.2.2A of the SEBI Guidelines, we shall ensure that the number of prospective allottees, i.e. the persons to whom the Equity Shares will be allotted under the Issue shall be not less than 1,000, failing which, the entire application money will be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay. Further, if at least 50% of the Net Issue cannot be allotted to QIBs, then the entire application money shall be refunded forthwith. In case of delay, if any, in refund, the Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

Disclaimer Clause

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR FOR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000, AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 28, 2008 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

- (i) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS MORE PARTICULARLY REFERRED TO IN THE ANNEXURE HERETO IN CONNECTION WITH THE FINALIZATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- (ii) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE**

CONFIRM THAT:

- (A) THE DRAFT PROSPECTUS FORWARDED TO THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - (B) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY THE BOARD, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - (C) THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
- (iii) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
- (iv) WE HAVE SATISFIED OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.
- (v) WE CERTIFY THAT WRITTEN CONSENT FROM SHAREHOLDERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.
- (vi) WE CERTIFY THAT CLAUSE 4.6 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.
- (vii) WE UNDERTAKE THAT CLAUSES 4.9.1, 4.9.2, 4.9.3 AND 4.9.4 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION AND SUBSCRIPTION FROM ALL FIRM ALLOTTEES WOULD BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE.
- (viii) WHERE THE REQUIREMENTS OF PROMOTERS' CONTRIBUTION IS NOT APPLICABLE TO THE ISSUER, WE CERTIFY THE REQUIREMENTS OF PROMOTERS' CONTRIBUTION UNDER CLAUSE 4.10 {SUB-CLAUSE (A), (B) OR (C), AS MAY BE APPLICABLE} ARE NOT APPLICABLE TO THE ISSUER.

- (ix) **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**
- (x) **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.**
- (xi) **WE CERTIFY THAT NO PAYMENT IN THE NATURE OF DISCOUNT, COMMISSION, ALLOWANCE OR OTHERWISE SHALL BE MADE BY THE ISSUER OR THE PROMOTERS, DIRECTLY OR INDIRECTLY, TO ANY PERSON WHO RECEIVES SECURITIES BY WAY OF FIRM ALLOTMENT IN THE ISSUE.**
- (xii) **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT MODE.**
- (xiii) **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**
 - (A) **AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY AND**
 - (B) **AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**

The filing of the Draft Red Herring Prospectus does not, however, absolve the Company from any liabilities under Section 63 or Section 68 of the Companies Act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Managers, any irregularities or lapses in the Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Draft Red Herring Prospectus with the RoC in terms of Section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Disclaimer from the Company and the BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our website www.borl.in, or the website of any Promoter or member of the Promoter Group or the website by any affiliate or associate of any such entity, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the MOU entered into between the BRLMs and us and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by us and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner

whatsoever including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

Neither we nor the Syndicate is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors that Bid in the Issue will be required to confirm and will be deemed to have represented to the Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. The Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 4A of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with the IRDA, provident funds (subject to applicable law) with minimum corpus of Rs.250 million and pension funds with minimum corpus of Rs.250 million, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares. This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the exclusive jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any invitation, offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “US persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold only (i) within the United States to “qualified institutional buyers”, in reliance on Rule 144A under the Securities Act, and (ii) outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Bidder where required agrees that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Disclaimer Clause of the BSE

As required, a copy of the Draft Red Herring Prospectus had been submitted to the BSE. The Disclaimer Clause as intimated by the BSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of the Draft Red Herring Prospectus had been submitted to the NSE. The disclaimer clause as intimated by the NSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, SEBI Bhavan, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai-400 051, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC.

Listing

Applications have been made to the BSE and NSE for permission to deal in and for an official quotation of our Equity Shares. NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it, i.e. from the date of refusal or within 70 days from the Bid/Issue Closing Date, whichever is earlier, then the Company and every Director of the Company who is an officer in default shall, on and from such expiry of eight days, be liable to repay the monies, with interest at the rate of 15% per annum on application monies, as prescribed under Section 73 of the Companies Act.

Our Company with the assistance of the BRLMs shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within seven Working Days of finalisation of the Basis of Allotment for the Issue.

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Auditors, the Bankers to the Company and the Bankers to the Issue; and (b) the Book Running Lead Managers to the Issue, and the Syndicate Members, the Escrow Collection Bankers, the Registrar to the Issue, the Monitoring Agency, the Domestic Legal Counsel to the Issuer, the Domestic Legal Counsels to the Underwriters, International Counsel to the Issue to act in their respective capacities, will be obtained and will be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI Guidelines, M/s Price Waterhouse, Chartered Accountants, have given their written consent to the inclusion of their report in the form and context in which it appears in the Draft Red Herring Prospectus and such consent and report will not be

withdrawn up to the time of delivery of the Red Herring Prospectus to the RoC.

M/s Price Waterhouse, Chartered Accountants, have given their written consent to the inclusion of their report in relation to tax benefits accruing to our Company and its members in the form and context in which it appears in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

CRISIL Limited, a SEBI registered credit rating agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, will give its written consent to the inclusion of their report in the form and context in which it will appear in the Red Herring Prospectus and the Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Prospectus with the Designated Stock Exchange.

Expert Opinion

Other than the report of CRISIL in respect of IPO Grading of this Issue, we have not obtained any expert opinions.

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately Rs. [●]. The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. All expenses with respect to the Issue would be paid by our Company.

The estimated Issue expenses are as under:

<i>(in Rs. million)</i>			
Activity	Expenses *	Percentage of the Issue Expenses	Percentage of the Issue Size
Lead management fee , underwriting and selling commission	[●]	[●]	[●]
Advertising and Marketing expenses	[●]	[●]	[●]
Printing and stationery	[●]	[●]	[●]
Others (Monitoring agency fees, Registrar's fee, legal fee, IPO grading expenses, listing fee, etc.)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

**To be completed after finalisation of issue price*

Fees Payable to the BRLMs and the Syndicate Members

The total fees payable to the Book Running Lead Managers and the Syndicate Members will be as per the engagement letter dated [●] with the BRLMs, issued by our Company, a copy of which is available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable by our Company to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund orders, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the MOU between our Company and the Registrar to the Issue dated January 30, 2008, a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will be reimbursed for all out of pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

Underwriting commission, brokerage and selling commission on Previous Issues

Subject to the proposed Pre-IPO Placement, since this is the initial public offering of the Equity Shares

of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

Previous Rights and Public Issues

We have not made any previous rights and public issues in India or abroad in the five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of shares otherwise than for cash

Except as stated in the section “Capital Structure” beginning on page 30, we have not made any previous issues of shares for consideration otherwise than for cash.

Companies under the Same Management

No company under the same management (within the meaning of Section 370(1)(B) of the Companies Act) as us has made any capital issue during the last three years.

Outstanding Debentures, Bond Issues, or Preference Shares

We have not issued redeemable preference shares. We have no debentures or bonds outstanding.

Stock Market Data for our Equity Shares

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least six months from the last date of dispatch of the letters of allotment, demat credit and refund orders or where the refunds are being made electronically, giving of refund instruction to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant and the bank branch or collection centre where the application was submitted.

Disposal of Investor Grievances

Our Company or the Registrar to the Issue shall redress routine investor grievances within seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have also appointed Mr. Swroop Narain Mathur of our Company as the Compliance Officer for this Issue and he may be contacted in case of any pre-Issue or post-Issue related problems, at the following address:

Mr. Swroop Narain Mathur

Chamber No. 33,
Administrative Office, Mumbai Refinery,
Bharat Petroleum Corporation Limited,
Mahul,
Mumbai – 400 074
India.
Telephone: +91 22 25545833/+91 22- 25543898
Facsimile: +91 22 25541818

Email: sn.mathur@borl.in

Disposal of investor grievances by listed companies under the same management as the Company

We do not have any company under the same management within the meaning of Section 370(1B) of the Companies Act which is listed at any stock exchange.

Tax Implications

Investors that are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, see the section “Statement of Tax Benefits” beginning on page 50.

Interest of Promoters and Directors

For details of the interest of Promoters and Directors, see the sections “Our Management”, “Our Promoters and Promoter Group” and “Related Party Transactions”, beginning on pages 100, 114 and 131, respectively.

Promise v. Performance

For details of the promise versus performance of the group companies, see the section “Our Promoters and Promoter Group” beginning on page 114.

Other Disclosures

Except as disclosed in the section “Capital Structure – Notes to Capital Structure” beginning on page 30, the Promoter, the directors of the Promoter, any member of the Promoter Group or the directors of our Company have not purchased or sold any securities of our Company during a period of six months preceding the date on which this Draft Red Herring Prospectus is filed with SEBI.

Change in Auditors

Prior to the merger of the professional practice of RSM and Co. with M/s Price Waterhouse on April 23, 2007, RSM and Co. was our Company’s statutory auditors. Subsequently, our Company, pursuant to a resolution adopted at an AGM held on July 4, 2007, appointed M/s Price Waterhouse as the statutory auditors of our Company.

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits from its incorporation till date.

Revaluation of Assets

Our Company has not revalued any of its assets from its incorporation till date.

Purchase of Property

Other than as disclosed in this Draft Red Herring Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Draft Red Herring Prospectus, other than property, in respect of which:

- 1 The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or
- 2 The amount of the purchase money is not material.

Except as stated in the sections “Our Business”, “Our Promoter and Promoter Group” and “Related Party Transactions” beginning on pages 69, 114 and 131, respectively, the Company has not purchased any property in which its Promoter or any of its Directors, have any direct or indirect interest in any payment made thereunder.

Payment or benefit to officers of our Company

Except as disclosed in the section “Our Management” beginning on page 100, we have not made any payments or provided any benefits to the officers of our Company.

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, Bid cum Application Form, the Revision Form, the CAN, the listing agreement with the Stock Exchanges and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, the RoC, the FIPB and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The Issue has been authorized by a resolution of our Board dated January 18, 2008 and by a special resolution passed pursuant to Section 81(1A) of the Companies Act, at the EGM of the shareholders of our Company held on January 23, 2008.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act and our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend. The Allottees, in receipt of allotment shares under this Issue, will be entitled to dividends and any other corporate benefits, if any, declared by our Company after the date of Allotment.

Mode of Payment of Dividend

Our Company shall pay dividend to the shareholders of our Company as per the provisions of the Companies Act.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each, the floor price of the Equity Shares is Rs. [●] per Equity Share and the Cap Price is Rs. [●] per Equity Share. At any given point of time there shall be only one denomination of the Equity Shares.

Compliance with SEBI Guidelines

We shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the equity shareholders of our Company shall have the following rights:

- a. Right to receive dividend, if declared;
- b. Right to attend general meetings and exercise voting powers, unless prohibited by law;
- c. Right to vote on a poll either in person or by proxy;
- d. Right to receive offers for rights shares and be allotted bonus shares, if announced;

- e. Right to receive surplus on liquidation, subject to statutory and other preferential claims being satisfied;
- f. Right of free transferability of shares; and
- g. Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreements executed with the Stock Exchanges and our Memorandum and Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, see the section “Main Provisions of the Articles of Association of our Company” beginning on page 331.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per the applicable law, the trading of our Equity Shares shall only be in dematerialised form for all investors. Since trading of our Equity Shares will be in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be done only in electronic form to the nearest integer subject to a minimum Allotment of [●] Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai, Maharashtra, India.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office or with the registrar and transfer agent of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by our Board, elect either:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in this Issue will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant would prevail. If the investors wish to change their nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, including devolvement to the BRLMs and the Syndicate Members if any, within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act.

Further, in accordance with Clause 2.2.2A of the SEBI Guidelines, our Company shall ensure that the number of prospective Allottees, to whom the Equity Shares will be Allotted will not be less than 1,000. If at least 50% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares may be offered and sold only (i) in the United States to “qualified institutional buyers”, as defined in Rule 144A under the Securities Act, and (ii) outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Application by Eligible NRIs, FIIs registered with SEBI and FVCIs registered with SEBI

It is to be distinctly understood that there is no reservation for eligible NRIs and FIIs registered with SEBI or FVCIs registered with SEBI. All Non Residents, NRIs, FIIs and foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation. As per existing regulations, OCBs cannot participate in the Issue.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of shares

There are no restrictions on transfers and transmission of shares/ debentures and on their consolidation/ splitting except as provided in our Articles. For details, see the section “Main Provisions of the Articles of Association of our Company” beginning on page 331.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before Allotment, without assigning any reason therefore. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. In terms of the SEBI Guidelines, the QIBs shall not be allowed to withdraw their Bids after the Bid/Issue Closing Date.

ISSUE STRUCTURE

The present Issue of [●] Equity Shares, comprising a Net Issue of [●] Equity Shares and a reservation for Eligible Employees of up to [●] Equity Shares at a price of Rs. [●] for cash aggregating to Rs[●], is being made through the 100% Book Building Process.

The Issue will constitute [●] % of the fully diluted post-Issue paid-up share capital of our Company. The Net Issue will constitute [●] % of the fully diluted post-Issue paid up share capital of our Company.

Our Company is considering a Pre-IPO Placement of Equity Shares with certain investors. The Pre-IPO Placement is at the discretion of our Company. Our Company will complete the issuance of such Equity Shares prior to filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post-Issue paid-up capital being offered to the public. However, as a result of the Pre-IPO Placement, if the minimum Issue size falls below 25%, the Issue will be made as per the provisions of the Securities Contract (Regulation) Rules, 1957 with a minimum Issue size of at least 10% of the post-Issue paid up capital of our Company.

	QIBs	Non-Institutional Bidders***	Retail Individual Bidders***	Employee Reservation Portion***
Number of Equity Shares*	At least [●] Equity Shares	Not less than [●] Equity Shares or Net Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than [●] Equity Shares or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders.	Up to [●] Equity Shares.
Percentage of Issue Size available for Allotment/allocation	At least 50% of Net Issue being allocated. However, up to 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only.	Not less than 15% of the Net Issue or the Net Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 35% of Net Issue or the Net Issue less allocation to QIB Bidders and Non-Institutional Bidders.	Up to [●]% of the Issue.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows: (a) [●] Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Maximum Bid	Such number of	Such number of	Such number of	[●]

	QIBs	Non-Institutional Bidders***	Retail Individual Bidders***	Employee Reservation Portion***
	Equity Shares not exceeding the Issue, subject to applicable limits.	Equity Shares not exceeding the Issue subject to applicable limits.	Equity Shares whereby the Bid Amount does not exceed Rs. 100,000 [net of Retail Discount].	
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares in multiples of [●] Equity Shares.	[●] Equity Shares in multiples of [●] Equity Shares.	[●] Equity Shares in multiples of [●] Equity Shares.	[●] Equity Shares in multiples of [●] Equity Shares thereafter.
Allotment Lot	Minimum [●] Equity Shares and in multiples of one Equity Share thereafter.	Minimum [●] Equity Shares and in multiples of one Equity Share thereafter.	Minimum [●] Equity Shares and in multiples of one Equity Share thereafter.	Minimum [●] Equity Shares and in multiples of one Equity Share thereafter.
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply**	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, FIIs, venture capital funds registered with SEBI, FVCIs registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250,000,000, pension funds with minimum corpus of Rs. 250,000,000 in accordance with applicable law and the National Investment Fund..	Resident Indian individuals, Eligible NRIs, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts.	Resident Indian individuals, Eligible NRIs and HUF (in the name of Karta) applying for Equity Shares such that the Bid Amount does not exceed Rs. 100,000 in value.	Eligible Employees
Terms of Payment	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the

	QIBs	Non-Institutional Bidders***	Retail Individual Bidders***	Employee Reservation Portion***
				Syndicate Members.
Margin Amount	At least 10% of Bid Amount	Full Bid Amount on bidding	Full Bid Amount on bidding	Full Bid Amount on bidding

- * Subject to valid Bids being received at or above the Issue Price. The Issue is being made through the 100% book building process wherein at least 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
- ** In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.
- *** Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion, Retail Portion and Employee Reservation Portion, would be allowed to be met with spill over from the other categories or a combination of categories, at the discretion of our Company, in consultation with the BRLMs. As per the SEBI Guidelines, under-subscription in the QIB Portion would not be allowed to be met by any spill overs.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue any time after the Bid/Issue Opening Date but before Allotment, without assigning any reason therefore. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. In terms of the SEBI Guidelines, the QIBs shall not be allowed to withdraw their Bids after the Bid/Issue Closing Date.

Letters of Allotment or Refund Orders

We shall give credit to the beneficiary account with Depository Participants within two Working Days from the date of the finalisation of basis of allocation. Please note that only Bidders having a bank account at any of the 68 centers where the clearing houses for the ECS (Electronic Clearing Service) are managed by the RBI, State Bank of India, Punjab National Bank, State Bank of Indore, Union Bank of India, Andhra Bank, Corporation Bank, Bank of Baroda, State Bank of Travancore, Central Bank of India, Canara Bank, Oriental Bank of Commerce, United Bank of India, State Bank of Hyderabad and State Bank of Bikaner and Jaipur, are eligible to receive refunds through the modes stated above. For all the other Bidders, including Bidders who have not updated their bank particulars, along with the nine-digit MICR code, the refund orders shall be dispatched within 15 days of the Bidding/ Issue Closing Date by "Under Certificate of Posting" for refund orders less than or equal to Rs. 1,500 and through speed post/registered post or Direct Credit, NEFT (National Electronic Funds Transfer), RTGS (Real Time Gross Settlement) or ECS at the sole or first Bidder's sole option, for refund orders exceeding Rs. 1,500.

Interest in case of delay in despatch of Allotment Letters/ Refund Orders

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, our Company undertakes that:

- (i) Allotment shall be made only in dematerialised form within 15 days from the Bid/ Issue

Closing Date;

- (ii) Dispatch of refund orders shall be done within 15 days from the Bid/Issue Closing Date; and
- (iii) Our Company shall pay interest at 15% per annum, if Allotment is not made, refund orders are not dispatched and/ or demat refund instructions have not been given to the clearing system in the disclosed manner within the 15 day time period prescribed above.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable, except where the refund or portion thereof is made in electronic mode, by the Bidders.

Bid/Issue Program

BID/ISSUE OPENS ON	 ● , 2008
BID/ISSUE CLOSES ON	 ● , 2008

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time)** and uploaded until (i) 5.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and (ii) until such time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders where the Bid Amount is up to Rs. 100,000. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will only be accepted on Working Days.

Our Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI Guidelines provided that the Cap Price is less than or equal to 120% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised at least one day before the Bid /Issue Opening Date.

In case of revision in the Price Band, the Issue Period will be extended for three additional Working Days after revision of Price Band subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the web sites of the BRLMs at the terminals of the other members of the Syndicate.

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein at least 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, [●] Equity Shares shall be available for allocation on a proportionate basis to Eligible Employees.

Bidders are required to submit their Bids through the Syndicate. Further, QIB Bids can be procured and submitted only through the BRLMs or their affiliate syndicate members. In case of QIB Bidders, our Company in consultation with the BRLMs may reject Bids at the time of acceptance of Bid cum Application Form provided that the reasons for such rejection shall be provided to such Bidder in writing. In case of Non- Institutional Bidders, Retail Individual Bidders and Eligible Employees, our Company would have a right to reject the Bids only on technical grounds.

Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid. The Bidders shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Indian public and Eligible NRIs applying on a non-repatriation basis	White
Non residents, Eligible NRIs, FVCIs or FIIs Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue
Bidders in the Employee Reservation Portion	Pink

Who can Bid?

1. Persons eligible to invest under all applicable laws, rules, regulations and guidelines;
2. Indian nationals resident in India who are majors or in the names of their minor children as natural/legal guardians in single or joint names (not more than three);
3. HUFs in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;

4. Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable laws. NRIs, other than Eligible NRIs, are not eligible to participate in this Issue;
5. Companies and corporate bodies registered under the applicable laws in India and authorised to invest in equity shares;
6. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their constitution to hold and invest in equity shares;
7. Scientific and/or industrial research organizations in India, authorised to invest in equity shares;
8. Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to the RBI regulations and the SEBI Guidelines and regulations, as applicable);
9. Multilateral and bilateral development financial institutions;
10. Mutual funds registered with SEBI;
11. FIIs registered with SEBI;
12. Venture capital funds registered with SEBI;
13. FVCIs registered with SEBI;
14. State industrial development corporations;
15. Insurance companies registered with the IRDA;
16. National Investment Fund;
16. As permitted by the applicable laws, provident funds with minimum corpus of Rs. 250,000,000 and who are authorised under their constitution to invest in equity shares;
17. Pension funds with a minimum corpus of Rs. 250,000,000 and who are authorised under their constitution to invest in equity shares; and
18. Eligible Employees;

As per existing regulations promulgated under the FEMA, OCBs cannot Bid in the Issue.

Participation by Associates of the BRLMs and the Syndicate Members:

The BRLMs and the Syndicate Members shall not be entitled to participate in this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs and Syndicate Members may subscribe to Equity Shares in the Issue either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such investors, where the Allocation is on a proportionate basis. Such bidding and subscription may be on their own account or on behalf of their clients.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand is greater than [●] Equity Shares, allocation shall be made

to Mutual Funds on proportionate basis to the extent of the Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

As per the current regulations, the following restrictions are applicable for investments by Mutual Funds:

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

The Bids made by the asset management companies or custodians of mutual funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

Bids by Eligible NRIs

Eligible NRI Bidders are required to comply with the following:

1. Individual Eligible NRIs can obtain the Bid cum Application Forms from the Registered Office and our corporate office, the members of the Syndicate or the Registrar to the Issue.
2. Eligible NRI Bidders may note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for Allotment. Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application Form meant for Resident Indians (white in colour).

Bids by FIIs:

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue issued capital (i.e. [●] Equity Shares). In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total paid-up capital or 5% of our total paid-up capital in case such sub-account is a foreign corporate or an individual. As of the date of this Draft Red Herring Prospectus and in accordance with foreign investment limits applicable to us, the aggregate FII holding in our Company cannot exceed 24% of our total paid-up capital.

With the approval of the Board of Directors and the shareholders by way of a special resolution, the aggregate FII holding may be increased to the maximum permissible foreign investment limit. However, as on the date of this Draft Red Herring Prospectus, no such resolution has been recommended to the shareholders of our Company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other

than a regulated entity.

Associates and affiliates of the Underwriters, including the BRLMs and the Syndicate Members, that are FIIs may issue offshore derivative instruments against Equity Shares allocated to them in the Issue.

Bids by SEBI registered Venture Capital Funds and FVCIs

As per the current regulations, the following restrictions are applicable for investments by SEBI registered VCFs and FVCIs:

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual VCF in one company should not exceed 25% of the corpus of the VCF. An FVCI can invest its entire funds committed for investments into India in one company. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

Pursuant to the SEBI Guidelines, the shareholding of SEBI-registered VCFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the draft prospectus with SEBI.

Bids and revision of the Bids by Eligible NRIs FIIs and FVCIs must be made:

1. On the Bid cum Application Form or the Revision Form, as applicable (☐ in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. In a single name or joint names (not more than three and in the same order as their Depository Participant details).
3. Bids by Eligible NRIs and FIIs on a repatriation basis shall be in the names of individuals or in the names of FIIs or FVCIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs) or their nominees.
4. Bids by Eligible NRIs for a Bid Price of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and for a Bid Price of more than Rs. 100,000 would be considered under the Non-Institutional Portion for the purposes of allocation. Other Non-Resident Bidders for a minimum of such number of Equity Shares and in multiples of [●] thereafter that the Bid Price exceeds Rs. 100,000. For further details, see the paragraph "Maximum and Minimum Bid Size" beginning on page 304.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only, net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their Non-Resident External (NRE) accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for Eligible NRIs, FVCIs, FIIs and other non-resident Bidders and they will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the government of India, OCBs cannot participate in this Issue.

Further, NRIs, who are not Eligible NRIs, are not permitted to participate in this Issue.

Bids by Eligible Employees

For the purpose of the Employee Reservation Portion, Eligible Employees means permanent employees of our Company including our whole-time Directors and permanent employees of our Promoter, including the whole-time directors of our Promoter, as on the Bid/Issue Opening Date and working and present in India as on the date of submission of the Bid cum Application Form:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. pink colour form).
- (b) Eligible Employees, as defined above, should mention their Employee Number at the relevant place in the Bid cum Application Form.
- (c) The sole/ first bidder should be Eligible Employees as defined above. In case the Bid cum Application Form is submitted in joint names, it should be ensured that the Depository Account is also held in the same joint names and such joint names are in the same sequence in which they appear in the Bid cum Application Form.
- (d) Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion.
- (e) Bids by Eligible Employees will have to bid like any other Bidder. Only those bids, which are received at or above the Issue Price, would be considered for allocation under this category.
- (f) Eligible Employees who apply or bid for securities of or for a value of not more than Rs. 100,000 in any of the bidding options can apply at the Cut-Off Price. This facility is not available to other Eligible Employees whose minimum Bid Amount exceeds Rs. 100,000.
- (g) The maximum bid in this category by any Eligible Employee cannot exceed [●] Shares.
- (h) Bid/ Application by Eligible Employees can be made also in the “Net Issue to the Public” and such bids shall not be treated as multiple bids.
- (i) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- (j) Under-subscription, if any, in the Employee Reservation Portion will be met with spill over from the other categories or a combination of categories, at the discretion of our Company in consultation with the BRLMs. In case of under-subscription in the Net Issue, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion.
- (k) If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, refer to the section “Issue Procedure - Basis of Allotment” beginning on page 322.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the BRLMs are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid Size

- (a) **For Retail Individual Bidders:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Price, payable by the

Bidder does not exceed Rs. 100,000, net of Retail Discount. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Price does not exceed Rs. 100,000, net of Retail Discount. In case the Bid Price is over Rs. 100,000, net of Retail Discount, due to revision of the Bid or revision of the Price Band or on exercise of the Cut-off Price option, the Bid would be considered for allocation under the Non Institutional Portion. The option to bid at the Cut-off Price is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase Equity Shares at the Issue Price as determined at the end of the Book Building Process.

- (b) **For Non-Institutional Bidders and QIB Bidders:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Price exceeds Rs. 100,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the QIB Margin Amount upon submission of the Bid.

In case of revision in Bids, the Non Institutional Bidders, who are individuals, have to ensure that the Bid Price is greater than Rs. 100,000 for being considered for allocation in the Non Institutional Portion. In case the Bid Price reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Non-Institutional Portion would be considered for allocation under the Retail Portion. Non Institutional Bidders and QIB Bidders are not entitled to bid at the Cut-off Price.

- (c) **For Bidders in the Employee Reservation Portion:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. [●] may bid at the Cut-off Price. The allotment in the Employee Reservation Portion will be on a proportionate basis. The Eligible Employees whose Bid Amount does not exceed Rs. 100,000 shall be eligible for the Retail Discount.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Refund amounts following a permitted withdrawal of a Bid shall be paid in the manner described under paragraph "Payment of Refund".

Information for the Bidders:

The members of the Syndicate shall accept Bids from the Bidder during the Issue Period in accordance with the terms of the Syndicate Agreement.

- (a) Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.
- (b) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors. Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/or the Bid cum Application Form can obtain the same from our Registered Office or from any of the members of the Syndicate.
- (c) Eligible investors who are interested in subscribing for the Equity Shares should approach any of the BRLMs or Syndicate Member(s) or their authorized agent(s) to register their Bids.
- (d) The Bids should be submitted on the prescribed Bid cum Application Form only. The Bid cum Application Forms should bear the stamp of a member of the Syndicate. Bid cum Application Forms, which do not bear the stamp of a member of the Syndicate will be rejected.

Method and Process of Bidding

- (a) Our Company and the BRLMs shall declare the Bid/Issue Opening Date, the Bid/Issue Closing Date and Price Band in the Red Herring Prospectus to be filed with the RoC and also publish the same in two widely circulated national newspapers (one each in English and Hindi) and a vernacular newspaper of wide circulation in the place where our Registered Office is situated. This advertisement, subject to the provisions of Section 66 of the Companies Act, shall be in the format prescribed in Schedule XX-A of the SEBI Guidelines, as amended by the SEBI Circular No. SEBI/CFD/DIL/DIP/17/2005/11/11 dated November 11, 2005. The BRLMs and the Syndicate Members shall accept Bids from the Bidders during the Bidding Period in accordance with the terms of the Syndicate Agreement.
- (b) The Bidding/Issue Period shall be for a minimum of three Working Days and not exceeding seven Working Days. In case of revision in the Price Band, the Bidding/ Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 Working Days. Any revision in the Price Band and the revised Bidding/ Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two widely circulated national newspapers (one each in English and Hindi) and a vernacular newspaper in the place where our Registered Office is situated and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.
- (c) During the Bidding Period, eligible investors who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorised agents to register their Bid.
- (d) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (see the paragraph “Bids at Different Price Levels and Revisions of Bids” on page 306) within the Price Band and specify the demand (i.e. the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allotment and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.
- (e) The Bidder cannot Bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic Bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Issue Procedure-Bids at Different Price Levels and Revision of Bids” beginning on page 306.
- (f) The members of the Syndicate will enter each Bid option into the electronic Bidding system as a separate Bid and generate a Transaction Registration Slip (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- (g) During the Bidding Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.
- (h) Along with the Bid cum Application Form, all Bidders will make payment in the manner described in the section “Issue Procedure-Terms of Payment and Payment into the Escrow Account” beginning on page 316.

Bids at Different Price Levels and Revision of Bids

The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share, Rs. [●] being the Floor Price and

Rs. [●] being the Cap Price. The Bidders can Bid at any price within the Price Band in multiples of Re. 1.

Our Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Guidelines. The cap on the Price Band should not be more than 20% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price disclosed in the Red Herring Prospectus.

In case of a revision of the Price Band, the Bid Period shall be extended for three additional Working Days, subject to a maximum of 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two widely circulated national newspapers (one each in English and Hindi) and a vernacular newspaper with a wide circulation in the place where our Registered Office is situated, and also by indicating the change on the website of the BRLMs and at the terminals of the members of the Syndicate.

Our Company, in consultation with the BRLMs, can finalize the Issue Price within the Price Band without the prior approval of, or intimation to, the Bidders.

- (1) The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. **Retail Individual Bidders applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 and Bidders in the Employee Reservation Portion may bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB Bidders and Non Institutional Bidders and such Bids from QIB Bidders and Non Institutional Bidders shall be rejected.**
- (2) Retail Individual Bidders and bidders in the Employee Reservation Portion who Bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders and Bidders in the Employee Reservation Portion bidding at the Cut-Off Price shall deposit the Bid Price based on the Cap Price in the Escrow Account. In the event the Bid Price is higher than the subscription amount payable by the Retail Individual Bidders or the Bidders in the Employee Reservation Portion, who Bid at the Cut-off Price (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Retail Individual Bidders or Bidders in the Employee Reservation Portion who Bid at Cut off Price, shall receive the refund of the excess amounts from the Escrow Account.
- (3) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and the Eligible Employees bidding under the Employee Reservation Portion who had Bid at the Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the higher end of the Revised Price Band (such that the total amount i.e., original Bid Price plus additional payment does not exceed Rs. 1,00,000 for Retail Individual Bidders, if such Bidder wants to continue to Bid at the Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Price plus additional payment) exceeds Rs. 100,000 for Retail Individual Bidders, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the higher end of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from such Bidder and such Bidder is deemed to have approved such revised Bid at the Cut-off Price.
- (4) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and the Eligible Employees bidding under the Employee Reservation Portion who have Bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding would be refunded from the Escrow Account.
- (5) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [●] Equity Shares, irrespective of whether the Bid Price payable on such minimum application is not in the range of Rs. 5,000-7,000.

Buildup of the Book and Revision of Bids

- (a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.
- (b) The book gets built up at various price levels. This information will be available from the BRLMs on a regular basis.
- (c) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form which is a part of the Bid cum Application Form.
- (d) Revisions can be made in both the desired number of Equity Shares and the Bid Price by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.
- (e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid.
- (f) Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
- (g) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus. In case of QIB Bidders, the BRLMs and their affiliates shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid. Only Bids that are uploaded on the online IPO system of the NSE and the BSE shall be considered for Allotment. In the event of a discrepancy of data between the Bids registered on the online IPO system and the physical Bid cum Application Form, the decision of our Company in consultation with the BRLMs, based on the physical records of the Bid cum Application Forms, shall be final and binding on all concerned.

Bids and revisions of Bids must be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable ([●] colour for Resident Indians; [●] colour for NRIs and FIIs applying on a repatriation basis.).
- (b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Form or Revision Forms are likely to be rejected.
- (c) The Bids from the Retail Individual Bidders must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares, thereafter subject to a maximum Bid Price of Rs. 100,000.
- (d) The Bids in the Employee Reservation portion must be for a minimum of such number of Equity Shares in multiples of [●] Equity Shares.

- (e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Price exceeds or is equal to Rs. 100,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.
- (f) Eligible NRIs for a Bid Price of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Price of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation; by other eligible Non Resident Bidders for a minimum of such number of Equity Shares and in multiples of [●] Equity Shares thereafter that the Bid Price exceeds Rs. 100,000.
- (g) Bids by Non-Residents, Eligible NRIs, FVCIs, FIIs etc. on a repatriation basis shall be in the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs) or their nominees.
- (h) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- (i) Thumb impressions and signatures other than in the languages specified to the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Payment by Stockinvest

In terms of the RBI Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn.

Electronic registration of Bids

- (a) The members of the Syndicate will register the Bids using the on-line facilities of the NSE and the BSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.
- (b) The NSE and the BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorised agents during the Bidding Period. The members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a half hourly basis. On the Bid /Issue Closing Date, the members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available from the BRLMs on a regular basis. Bids will only be accepted on Working Days.
- (c) The aggregate demand and price for Bids registered on the electronic facilities of the NSE and the BSE will be uploaded on a half hourly basis, consolidated and displayed on-line at all Bidding centers and at the websites of the NSE and the BSE. A graphical representation of consolidated demand and price would be made available at the bidding centers during the Bidding Period.
- (d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:
 - 1. Name of the investor. Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the Depository Account is held. In case the Bid cum Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form

2. Investor category – individual, corporate, FII, Eligible NRI, FVCI, QIBs, Eligible Employee or Mutual Fund etc.;
 3. Numbers of Equity Shares Bid for;
 4. Bid price;
 5. Bid cum Application Form number;
 6. Margin Amount, as applicable, paid upon submission of Bid cum Application Form;
 7. Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder;
- (e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate.** The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or our Company.
- (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (g) In case of QIB Bidders, BRLMs and/or their affiliates have the right to accept the Bid or reject it. However, rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds as listed in the section "Issue Procedure-Grounds for Technical Rejection" on page 320.
- (h) It is to be distinctly understood that the permission given by the NSE and the BSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the NSE and the BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company.
- (i) The approval given by the NSE and the BSE should not in any way be deemed or construed to signify that the Draft Red Herring Prospectus has been cleared or approved by the NSE and the BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; nor does it warrant that our Equity Shares will be listed or will continue to be listed on the NSE and the BSE.
- (j) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for Allocation. In case of discrepancy of data between the NSE or the BSE and the members of the Syndicate, the decision of the BRLMs, based on the physical records of Bid cum Application Forms, shall be final and binding on all concerned.

Price Discovery and Allocation

- (a) After the Bid/Issue Closing Date, the BRLMs will analyse the demand generated at various price levels and discuss pricing strategy with our Company.
- (b) Our Company, in consultation with the BRLMs, shall finalise the Issue Price and the number of Equity Shares to be allocated in each investor category.
- (c) The allocation to QIBs will be at least 50% of the Net Issue and allocation to Non-Institutional and Retail Individual Bidders will be not less than 15% and 35% of the Net Issue, respectively, on a proportionate basis, in a manner specified in the SEBI Guidelines and the Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price. The allocation under the Employee

Reservation Portion will be on a proportionate basis, in the manner specified in the SEBI Guidelines and the Red Herring Prospectus, in consultation with the designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.

- (d) In case of over-subscription in all categories, at least 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, out of which 5% shall be reserved for Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. However, if the aggregate demand by Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares from the portion specifically available for allocation to Mutual Funds in the QIB Portion will first be added to the QIB Portion and be allocated proportionately to the QIBs in proportion to their Bids.
- (e) Under-subscription, if any, in the Non-Institutional category and the Retail Individual category would be met with spill over from any other category at the sole discretion of our Company in consultation with the BRLMs. However, if the aggregate demand by Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be Allotted proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has been met, under subscription, if any, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs, and the Designated Stock Exchange.
- (f) Any under-subscription in the Employee Reservation Portion would be added back to any other portion at the discretion of the BRLMs and the Company.
- (g) Allocation to Eligible NRIs, FVCIs, FIIs etc. applying on repatriation basis will be subject to applicable law and the terms and conditions stipulated by the RBI, while granting permission for Allotment of Equity Shares to them in this Issue.
- (h) The BRLMs, in consultation with us, shall notify the other members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
- (i) Our Company, in consultation with the BRLMs, reserves the right to cancel the Issue at any time after the Bid/Issue Opening Date but before the Allotment without assigning any reasons whatsoever.
- (j) Our Company in consultation with the BRLMs, reserves the right to reject any Bid procured from QIB Bidders, by any or all members of the Syndicate. Rejection of Bids made by QIBs, if any, will be made at the time of submission of Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing.

The Allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

Our Company, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement upon finalisation of the Issue Price. After signing the Underwriting Agreement, our Company will update and file the updated Red Herring Prospectus with the RoC, which then will be termed as the 'Prospectus'. The Prospectus will have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

Filing of the Prospectus with the RoC

Our Company will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60, and Section 60B of the Companies Act.

Announcement of Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall, after receiving final observations, if

any, on the Draft Red Herring Prospectus, publish an advertisement in the form prescribed by the SEBI Guidelines, in two widely circulated national newspapers (one each in English and Hindi) and a vernacular newspaper with wide circulation in the place where our Registered Office is situated.

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the RoC, a statutory advertisement will be issued by our Company in widely circulated English and Hindi national newspapers and a vernacular newspaper with wide circulation in the place where our Registered Office is situated. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price along with a table showing the number of Equity Shares and the amount payable by an investor. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

- (a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the BRLMs or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the Basis of Allotment by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail Individual Bidders and Non-Institutional Bidders. However, investors should note that our Company shall ensure that instructions by our Company for the demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in this Issue;
- (b) The BRLMs or members of the Syndicate will then dispatch the CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have paid the Margin Amount into the Escrow Account at the time of bidding shall pay the balance amount payable into the Escrow Account by the Pay-in Date specified in the CAN;
- (c) Such Bidders who have been allocated Equity Shares and who have already paid the Bid Amount for the said Equity Shares into the Escrow Account at the time of Bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of their cheque or demand draft paid into the Escrow Accounts.
- (d) The issuance of CAN is subject to “Allotment Reconciliation and Revised CANs” as set forth herein.

Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/ NSE system. This shall be followed by a physical book prepared by the Registrar on the basis of Bid cum Application Form received. Based on the electronic book or the physical book, as the case may be, QIBs will be sent a CAN on or prior to [●], indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to the SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and Basis of Allotment as approved by the Designated Stock Exchange and specified in the physical book. As a result, a revised CAN may be sent to QIBs, and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

- (a) Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account and the Refund Account on the Designated Date, our Company will ensure the credit to the successful Bidders' depository accounts of the Allotted Equity Shares to the Allottees within two Working Days from the date of Allotment.
- (b) As per the SEBI Guidelines, **Equity Shares will be issued and Allotted only in the dematerialised form to the Allottees**. Allottees will have the option to re-materialise the Equity Shares so Allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

- (a) Check if you are eligible to apply having regard to the applicable laws, rules, regulations, guidelines and approvals and the terms of the Red Herring Prospectus. Ensure that your Bid is within the Price Band.
- (b) Read all the instructions carefully and complete the Bid cum Application Form (white, blue or pink in colour) as the case may be.
- (c) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be Allotted in the dematerialised form only.
- (d) Ensure that the Bids are submitted at the bidding centers only on forms bearing the stamp of a member of the Syndicate.
- (e) Ensure that you have been given a TRS for all your Bid options, and ensure that you bid within the Price Band.
- (f) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS.
- (g) Ensure that you mention your PAN allotted under the IT Act irrespective of the amount of the transaction. Applications in which the PAN details are not mentioned will be rejected.
- (h) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form
- (i) Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts:

- (a) Do not Bid for lower than the minimum Bid size.
- (b) Do not Bid/revise Bid to a price to less than Floor Price or higher than the Cap Price.
- (c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate.
- (d) Do not pay the Bid Price in cash, by money order or by postal order or by Stockinvest.

- (e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only.
- (f) Do not Bid at the Cut-off Price (for QIB Bidders and Non-Institutional Bidders).
- (g) Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and/or the investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations under the terms of the Draft Red Herring Prospectus.
- (h) **Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.**
- (i) Do not bid at Bid Amount exceeding Rs. 100,000, in case of Bid by a Retail Individual Bidder.
- (j) Do not submit the Bid without the QIB Margin Amount, in case of Bids by a QIB.

Instructions for completing the Bid cum Application Form

Bidders can obtain the Bid cum Application Form and / or Revision Form from the members of the Syndicate.

Bidder's Depository Account Details and Bank Account Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification Number and Beneficiary Account number provided by them in the Bid cum Application Form, the Registrar will obtain, from the concerned Depository, the Bidders' bank account details, full demographical details including the address and the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf (the "Demographic Details"). These Bank Account details will be used for giving refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS) to the Bidders. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither our Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the BRLMs shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO RECEIVE THE EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND SUCH JOINT NAMES ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details

as available on its records.

Refund orders/allocation advice/CAN would be mailed to the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that receiving refunds through electronic transfer of funds, delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither our Company, nor the Registrar, Escrow Collection Bank(s) nor the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in the Draft Red Herring Prospectus, Bidders may note that refunds may get delayed if bank particulars obtained from the Depository Participant are incorrect.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity ("DP ID") and the beneficiary account number/ identity, then such Bids are liable to be rejected.

Our Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories. For more details, see the paragraph on "Bids under Power of Attorney" below.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

All applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bids in whole or in part, in either case without assigning any reasons therefor.

In case of Bids made pursuant to a power of attorney by FIIs or FVCIs a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part in either case without assigning any reasons therefrom.

In case of the Bids made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject such Bid in whole or in part, without assigning any reasons therefor.

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids made by provident funds with minimum corpus of Rs. 250,000,000 (subject to applicable law) and pension funds with minimum corpus of Rs. 250,000,000, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and the BRLMs may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Bid cum Application Form instead of those obtained from the Depositories.

PAYMENT INSTRUCTIONS

Escrow Mechanism

Our Company shall open Escrow Accounts with the Escrow Collection Banks for collection of the Bid Amount payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in this Issue. The Escrow Collection Banks will act in terms of the Red Herring Prospectus, the Prospectus and the Escrow Agreement. The monies in the Escrow Account shall be maintained by the Escrow Collection Banks for and on behalf of the Bidders. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the funds equivalent to the size of the Issue therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account, as per the terms of the Escrow Agreement, to the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account will be transferred to the Refund Account for the benefit of the Bidders who are entitled to refunds. Payments of refunds to the Bidders shall also be made from the Refund Account(s) with the Refund Banker(s) as per the terms of the Escrow Agreement, the Red Herring Prospectus and the Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Accounts

Each Bidder shall pay the applicable Margin/Bid Amount at the time of submission of the Bid cum Application Form by way of a cheque or demand draft in favour of the Escrow Account as per the below stated terms.

- (a) Each category of Bidders i.e. QIB Bidders, Non Institutional Bidders and Retail Individual Bidders and the employees Bidding under the Employee Reservation Portion shall provide the applicable Margin Amount at the time of the submission of the Bid cum Application Form by way of a cheque or demand draft for the maximum amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) and submit the same to the member of the Syndicate to whom the Bid is being submitted. The Margin Amount payable by each category of Bidders is mentioned in the section "Issue Structure" beginning on page 296. Bid cum Application Forms accompanied by cash /stockinvest/money order shall not be accepted. The maximum Bid Price has to be paid at the time of submission of the Bid cum Application Form

based on the highest Bidding option of the Bidder. However, if the applicable Margin Amount for Bidders is 100%, the full amount of payment has to be made at the time of submission of the Bid cum Application Form. QIB Bidders will be required to deposit a margin of at least 10% at the time of submitting their Bids.

- (b) Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Price, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled.
- (c) Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on Bidding, if any, after adjustment for Allotment, will be refunded to such Bidder in terms of the Red Herring Prospectus.
- (d) Where the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN.
- (e) The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - 1 In case of Resident QIB Bidders: “[●]”
 - 2 In case of Non Resident QIB Bidders: “[●]”
 - 3 In case of Resident Non-Institutional and Retail Individual Bidders: “[●]”
 - 4 In case of Non-resident Non-Institutional and Retail Individual Bidders: “[●]”
 - 5 In case of Eligible Employees: “[●]”
- (f) In case of Bids by Eligible NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE accounts or Foreign Currency Non-Resident (FCNR) accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE or FCNR account.
- (g) In case of Bids by FIIs or FVCIs, the payment should be made out of funds held in special rupee account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to a special rupee account.
- (h) The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank, which will hold the monies deposited in the Escrow Accounts for the benefit of the Bidders until the Designated Date.
- (i) Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on Bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account.
- (j) The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public

Issue Account.

- (k) On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Banks shall refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.
- (l) Payments should be made by cheques, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub member of the banker's clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/stockinvest/money orders/postal orders will not be accepted.
- (m) Bidders are advised to mention the number of application form on the reverse of the cheque / demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form. In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.
- (n) Payment through stockinvest will not be accepted in this Issue.

SUBMISSION OF BID CUM APPLICATION FORM

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid.

Separate receipts shall not be issued for the money payable on the submission of Bid cum Application Form or Revision Forms. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Forms for the records of the Bidder.

All applications are electronically strung on first name, address and applicant status. These applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/husbands name to determine if they are multiple applications.

Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/beneficiary ID. Applications with common DP ID/ beneficiary ID are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.

Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked.

OTHER INSTRUCTIONS

Joint Bids in case of Individuals

Bids may be made in single or joint names (not more than three). In case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the first Bidder and will be dispatched to his or her address, as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications with the same name and age will be accumulated and taken to a separate process file which would serve as a multiple master document.
2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.
3. The Registrar will obtain, from depositories, details of the applicants' address based on the DP ID and Beneficiary Account Number provided in the Bid cum Application Forms and create an address master.
4. The addresses of all the applicants from the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of addresses and pin code will be converted into a string for each application received and a photo match will be carried out among all the application processed. A print-out of the addresses will be taken to check for common names. Applications with the same name and same address will be treated as multiple applications.
5. The applications will be scrutinised for similar Depository Participant identification and Beneficiary Account Numbers/client identity numbers. In cases where applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.
6. Subsequent to the aforesaid procedures, a print out of the multiple master will be taken and applications physically verified to tally signatures and also father's/husband's names. On completion of this, the applications will be identified as multiple applications.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Bids made by employees under both the Employee Reservation Portion as well as in the Net Issue shall not be treated as multiple bids.

Our Company reserves the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

In cases where there are more than 20 valid applicants having a common address, such shares will be kept in abeyance, post Allotment and released on confirmation of KYC norms by the depositories.

Permanent Account Number (PAN)

Bidders or, in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the IT Act irrespective of the amount of the Bid and applications without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

Unique Identification Number ("UIN") - MAPIN

SEBI has, with effect from July 2, 2007 declared that the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Thus the use of UIN has been discontinued.

Our Company's Right to Reject Bids

In case of QIB Bidders, our Company, in consultation with the BRLMs, may reject Bids provided that the reason for rejecting the Bid shall be provided to such Bidders in writing.

In case of Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion, our Company has a right to reject Bids based on technical grounds.

Consequent refunds shall be made as described in this Draft Red Herring Prospectus and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected on, inter alia, the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
2. Age of First Bidder not given;
3. Bank account details for Bidders not given;
4. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such, shall be entitled to apply;
5. Bids by Non Residents, if not in compliance with the appropriate foreign and Indian laws;
6. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and insane persons;
7. PAN not stated or GIR number furnished instead of PAN;
9. Bids for lower number of Equity Shares than specified for that category of investors;
10. Bids at a price less than lower end of the Price Band;
11. Bids at a price more than the higher end of the Price Band;
12. Bids at Cut Off Price by Non-Institutional and QIB Bidders;
13. Bids for number of Equity Shares, which are not in multiples of [●];
14. Category not ticked;
15. Multiple Bids as defined in this Draft Red Herring Prospectus;
16. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
17. Bids accompanied by stockinvest/money order/postal order/cash;
18. Signature of sole and/or joint Bidders missing;
19. Bid cum Application Form does not have the stamp of the BRLMs or the Syndicate Members;
20. Bid cum Application Form does not have the Bidder's depository account details;
21. Bid cum Application Form is not delivered by the Bidder within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Form;
22. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the depository participant's identity and the beneficiary account number;

23. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations. See the details regarding the same in the section “Issue Procedure- Maximum and Minimum Bid Size” beginning on page 304;
24. Bid in respect of which Bid cum Application form do not reach the Registrar prior to the finalization of the Basis of Allotment;
25. Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
26. Bids by OCBs;
27. Bids by US persons other than “qualified institutional buyers” as defined in Rule 144A of the Securities Act or other than in reliance on Regulation S under the Securities Act;
28. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
29. Bids not uploaded in the book would be rejected; and
30. Bids or revision thereof by QIB Bidders and Non – Institutional Bidders where the Bid amount is in excess of Rs. 100,000, uploaded after 3.00 p.m. or any such time as prescribed by Stock Exchange on the Bid / Issue closing Date.
31. Bids in the Employee Reservation Portion by employees who are not Eligible Employees; and
32. Bids by QIBs not submitted through BRLMs or the Syndicate Members.

Equity Shares in dematerialised form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a de-materialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- (a) an agreement dated [●] between NSDL, our Company and Registrar to the Issue; and
- (b) an agreement dated [●] between CDSL, our Company and Registrar to the Issue.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

- (a) A Bidder applying for Equity Shares must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the Bid.
- (b) The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant’s identification number) appearing in the Bid cum Application Form or Revision Form.
- (c) Equity Shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
- (d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details with the Depository.

- (e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.
- (f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those recorded with his or her Depository Participant.
- (g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- (h) The trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

COMMUNICATIONS

All future communication in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Investors 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 letters of Allotment, credit of allotted shares in respective beneficiary accounts, refund orders etc.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

“Any person who:

- (a) **makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or**
- (b) **otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,**

shall be punishable with imprisonment for a term which may extend to five years.”

Basis of Allotment

A. *For Retail Individual Bidders*

- (a) Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all successful Retail Individual Bidders will be made at the Issue Price.
- (b) The Issue size less allocation to Non-Institutional Bidders, QIB Bidders, subject to allocation of at least 50% of the Net Issue, and Eligible Employees shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- (c) If the aggregate demand in this category is for less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Retail Individual Bidders to the extent of their valid Bids.
- (d) If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of one Equity Share thereafter. For

the method of proportionate Basis of Allotment, refer below.

B. For Non-Institutional Bidders

- (a) Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allocation to all successful Non-Institutional Bidders will be made at the Issue Price.
- (b) The Issue size less allocation to QIB Bidders, Retail Individual Bidders and Eligible Employees shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- (c) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to Non-Institutional Bidders to the extent of their aggregate demand.
- (d) In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate Basis of Allotment refer below.

C. For QIB Bidders

- (a) At least 50% of the Net Issue shall be allotted to the QIB Bidders.
- (b) Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIB Bidders will be made at the Issue Price.
- (c) The Issue size less allocation to Non-Institutional Portion, Retail Portion and Eligible Employees shall be available for proportionate allocation to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- (d) Allotment shall be undertaken in the following manner:
 - (I) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:
 - (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.
 - (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received at or above the Issue Price.
 - (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
 - (II) In the second instance allotment to all QIBs shall be determined as follows:
 - (I) In the event of oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids at or above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.
 - (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible

to receive Equity Shares on a proportionate basis along with other QIB Bidders.

- (iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

Except for any Equity Shares allocated to QIB Bidders due to under-subscription in the Retail Portion, the Employee Reservation Portion and/or the Non Institutional Portion, the aggregate allocation to QIB Bidders shall be made on a proportionate basis of at least [●] Equity Shares. For the method of proportionate basis of allocation, see below.

The BRLMs, the Registrar to the Issue and the Designated Stock Exchange shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the SEBI Guidelines. The drawing of lots (where required) to finalize the Basis of Allotment shall be done in the presence of a public representative on the Governing Board of the Designated Stock Exchange.

For Employee Reservation Portion

- (i) Bids received from the Eligible Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Eligible Employees will be made at the Issue Price.
- (ii) If the aggregate demand in this category is less than or equal to Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- (iii) If the aggregate demand in this category is greater than Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate basis of allocation, refer below.
- (iv) Only Eligible Employees are eligible to apply under the Employee Reservation Portion.

Procedure and Time of Schedule for Allotment and Demat Credit of Equity

The Issue will be conducted through the 100% Book Building Process pursuant to which the members of the Syndicate will accept Bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on [●], 2008 and expire on [●], 2008. Following the expiration of the Bidding Period, our Company, in consultation with the BRLMs, will determine the Issue Price, and, in consultation with the BRLMs, the basis of allocation and entitlement to Allotment based on the Bids received and subject to confirmation by the Stock Exchange(s). Successful Bidders will be provided with a confirmation of their allocation (subject to a revised confirmation of allocation) and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The SEBI Guidelines require our Company to complete the Allotment to successful Bidders within 15 days of the expiration of the Bidding Period. The Equity Shares will then be credited and allotted to the investors' demat accounts maintained with the relevant Depository Participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, our Company shall finalise the Basis of Allotment in consultation with the BRLMs and the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs, and the Registrar to the Issue shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner.

Bidders will be categorised according to the number of Equity Shares applied for by them and the Allotment shall be made in marketable lots on a proportionate basis as explained below.

1. The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
2. The number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
3. In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:
 - (a) Each successful Bidder shall be Allotted a minimum of [●] Equity Shares; and
 - (b) The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above.
4. If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the marketable lot), the decimal will be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it will be rounded off to the lower whole number. Allotment to all the Bidders in such categories will be arrived at after such rounding off.
5. If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND ALLOTMENT

We shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two (2) Working Days of date of Allotment. Our Company shall dispatch refund orders, if any, of value up to Rs. 1,500, by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk and adequate funds for this purpose shall be made available to the Registrar for this purpose.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 15 days of Bid/ Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven (7) Working Days of finalisation of the Basis of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines our Company further undertake that:

- 1 allotment of Equity Shares shall be made only in dematerialised form within 15 (fifteen) days of the Bid /Issue Closing Date;

- 2 dispatch of refund orders within 15 days of the Bid /Issue Closing Date would be ensured; and
- 3 our Company shall pay interest at 15% (fifteen) per annum (for any delay beyond the 15 (fifteen)-day time period as mentioned above), if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.
- 4 The Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue. Save and except refunds effected through the electronic mode, i.e., ECS, NEFT, direct credit or RTGS, refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

- (a) ECS – Payment of refund shall be undertaken through ECS for applicants having an account at any of the following 68 centers: Ahmedabad, Bengaluru, Bhubaneswar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, Jodhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (Non-MICR), Pondicherry, Hubli, Shimla (Non-MICR), Tirupur, Burdwan (Non-MICR), Durgapur (Non-MICR), Sholapur, Ranchi, Tirupati (Non-MICR), Dhanbad (Non-MICR), Nellore (Non-MICR) and Kakinada (Non-MICR) (managed by State Bank of India); Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakpur and Jammu (managed by Punjab National Bank); Indore (managed by State Bank of Indore); Pune, Salem and Jamshedpur (managed by Union Bank of India); Visakhapatnam (managed by Andhra Bank); Mangalore (managed by Corporation Bank); Coimbatore and Rajkot (managed by Bank of Baroda); Kochi/Ernakulum (managed by State Bank of Travancore); Bhopal (managed by Central Bank of India); Madurai (managed by Canara Bank); Amritsar (managed by Oriental Bank of Commerce); Haldia (Non-MICR) (managed by United Bank of India); Vijaywada (managed by State Bank of Hyderabad); and Bhilwara (managed by State Bank of Bikaner and Jaipur) This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. One of the methods for payment of refund is through ECS for applicants having a bank account at any of the abovementioned 68 centers.

- (b) NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants’ bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. The process flow in respect of refunds by way of NEFT is at an evolving stage hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.
- (c) RTGS – Applicants having a bank account at any of the abovementioned 68 centres and whose refund amount exceeds Rs. 500,000, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid cum Application Forms. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant’s bank receiving the credit would be borne by the applicant.
- (d) Direct Credit – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Bid cum Application Form shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

Note: We expect that all payments including where refund amounts exceed Rs. 500,000 (Rupees One Million) shall be made through NEFT, however in some exceptional circumstances where refund amounts exceed Rs. 500,000 (Rupees Five Hundred Thousand), refunds may be made through RTGS.

Please note that applicants having a bank account at any of the 68 centers where the clearing houses for ECS are managed by the RBI, State Bank of India, Punjab National Bank, State Bank of Indore, Union Bank of India, Andhra Bank, Corporation Bank, Bank of Baroda, State Bank of Travancore, Central Bank of India, Canara Bank, Oriental Bank of Commerce, United Bank of India, State Bank of Hyderabad and State Bank of Bikaner and Jaipur are eligible to receive refunds through the modes detailed in I, II, III and IV above. For all the other applicants, including applicants who have not updated their bank particulars alongwith the nine digit MICR Code, prior to the Bid/Issue Opening Date, the refund orders would be dispatched under “Under Certificate of Posting” for refund orders less than Rs. 1,500 and through speed post/registered post for refund orders exceeding Rs. 1,500. Save and except refund made through electronic mode, refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received, except for Bidders who have opted to receive funds through the ECS facility. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Disposal of Investor Grievances by our Company

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances shall be seven days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have appointed Mr. Swroop Narain Mathur, Company Secretary as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

Mr. Swroop Narain Mathur

Chamber No. 33,
Administrative Office, Mumbai Refinery,
Bharat Petroleum Corporation Limited,
Mahul
Mumbai- 400 074
India
Telephone: +91 22 2554 5833/+91 22 2554 3898
Facsimile: +91 22 2554 1818

Undertakings by our Company

Our Company undertakes as follows:

- 1 that the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
- 2 that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven Working Days of finalisation of the Basis of Allotment;
- 3 that the funds required for making refund to unsuccessful applicants as per the modes disclosed shall be made available to the Registrar to the Issue by our Company;
- 4 that the refund orders or Allotment advice to the non-resident Bidders shall be dispatched within specified time;
- 5 that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 6 that the certificates of securities/refund orders to the non-resident Indians shall be dispatched within specified time; and
- 7 except for the Pre-IPO Placement and the proposed allotment of Equity Shares to the GoMP and BPCL simultaneously with or prior to the Issue, no further issue of Equity Shares shall be made till the Equity Shares offered through the Draft Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc; and
- 8 Our Company shall comply with the requirements of Clause 49 of the listing agreement in relation to the disclosure and monitoring of the utilization of the Net Proceeds.

Utilisation of Issue proceeds

Our Board of Directors certifies that:

- 1 all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- 2 details of all monies utilised out of the Issue referred above shall be disclosed under an appropriate separate head in the balance sheet indicating the purpose for which such monies have been utilised;
- 3 details of all unutilised monies out of the Issue, if any shall be disclosed under the appropriate head in our balance sheet indicating the form in which such unutilised monies have been invested; and
- 4 we shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

The Board of Directors further certifies that:

1. the utilisation of monies received under Promoter Contribution and the Employee Reservation Portion shall be disclosed under an appropriate head in the balance sheet of the Company, indicating the purpose for which such monies have been utilised; and
2. the details of all unutilised monies out of the funds received under Promoter Contribution and the Employee Reservation Portion shall be disclosed under a separate head in the balance sheet of the Company, indicating the form in which such unutilised monies have been invested.

Withdrawal of the Issue

Our Company in consultation with the BRLMs reserves the right not to proceed with the Issue at anytime including after the Bid/Issue Opening Date but before the Allotment, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing date.

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF OUR COMPANY

Capitalized terms used in this Section have the meaning given to such terms in the articles of association of our Company. Pursuant to Schedule II of the Companies Act and the Dip Guidelines, the main provisions of the Articles Of Association of our Company relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of equity shares/debentures and/or on their consolidation/splitting are detailed below.

The regulations contained in Table A in the First Schedule to the Companies Act, 1956, shall apply to the Company except in so far as they are now modified or excluded or supplemented in these articles.

Share capital

Article 3 provides that the authorised share capital of the Company is Rs.45,000,000,000 (Rupees Forty Five Thousand Million) divided into 4,500,000,000 (Four Thousand Five Hundred Million) equity shares of the face value Rs.10 (rupees ten) each.

Increase in capital

Article 4 provides that:

- (a) the Company may from time to time, in General Meeting alter the conditions of its Memorandum so as to increase its Authorised Share Capital by the creation of new shares of such class and amount as it thinks expedient.
- (b) any Capital raised by the creation of new shares shall be considered part of the original Capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, transfer and transmission, forfeiture, lien, surrender, voting and otherwise.

The Company may exercise the powers of paying commissions and brokerage subject to and in accordance with the provisions of Section 76 of the Act.

Issue of original or increased capital

Article 5 provides that:

1. Where at any time after the expiry of two years from formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares out of the unissued share capital or out of increased share capital, then
 - a) Such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on these shares at that date.
 - b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.
 - c) The aforesaid offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right. PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any Member may renounce the shares offered to him.

- d) After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner and to such person(s) as they may think, in their sole discretion, fit.
- 2) Notwithstanding anything contained in the preceding sub-article, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.
- a) If a Special Resolution to that effect is passed by the Company in General Meeting; or
 - b) Where no such Special Resolution is passed, if the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the proposal contained in the motion moved in the General Meeting (including the casting vote, if any, of the Chairman) by Members who being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members so entitled and voting and the Central Government is satisfied, on an application made by the Board Of Directors in this behalf, that the proposal is most beneficial to the Company.
- 3) Nothing in Sub-Article (1)(c) above shall be deemed:
- a) To extend the time within which the offer should be accepted; or
 - b) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- 4) Nothing contained in this Article shall apply to the increase of the subscribed capital caused by the exercise of an option attached to the debentures issued or loans raised by the Company
- a) To convert such debentures or loans into shares in the Company; or
 - b) To subscribe for shares in the Company (whether such option is conferred in these articles or otherwise).

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term provided for such option and such term:

- i) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with rules; if any, made by, that government in this behalf; and
- ii) In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed but the Company In General Meeting before the issue of the debentures or raising of the loans.

Redeemable preference shares

Article 6 provides that subject to the provisions of Section 80 and 80 a of the Act, the Company shall have the power to issue preference shares which are, or at the option of the Company are liable, to be redeemed but never be later than 10 years from the issue, as applicable, and the redemption of Preference Share hereunder may be effected in accordance with the terms and conditions of their issue and failing that in such manner as the Directors may in their sole discretion think fit.

Provisions to apply on issue of redeemable preference shares

Article 7 provides that on the issue of Redeemable Preference Shares under the provisions of Article 6 hereof, the following provisions shall take effect:

- a. No such Redeemable Preference Shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption;
- b. No such Redeemable Preference Shares shall be redeemed unless they are fully paid;
- c. The premium, if any, payable on redemption of such Redeemable Preference Shares shall have been provided for out of the profits of the Company or out of the Company's Share Premium Account, before the shares are redeemed;
- d. Where any such Redeemable Preference Shares are redeemed otherwise than from the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund to be called the "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.

New capital same as existing capital

Article 8 provides that except so far as otherwise provided by the conditions of the issue or by these presents, any capital raised by the creation of new shares shall be considered as part of existing capital and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

Reduction of capital

Article 9 provides that the Company may subject to the provisions of Section 78, 80, 100 to 105 (both inclusive) of the Act from time to time by Special Resolution, reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorized by law, and in particular, capital may be paid off on the footing that it may be called upon again or otherwise. This Article is not to derogate from any power, the Company would have if it were omitted.

Sub-division, consolidation and cancellation of shares

Article 10 provides that subject to the provisions of Section 94 of the Act, the Company in General Meeting may, from time to time, subdivide or consolidate its shares, or any of them and the resolution whereby any share is subdivided, may determine that, as between holders of the shares resulting from such sub-division one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others or other. Subject as aforesaid the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so canceled.

Modification of rights

Article 11 provides that subject to Section 86 of the Act, the Company shall have the power to issue shares with differential rights as to dividend, voting or otherwise in accordance with the Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001.

Whenever the capital, by reasons of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may subject to the provisions of Sections 106 and 107 of the Act be modified, commuted, affected or abrogated or dealt with by Agreement between the Company and any person purporting to contract on behalf of that class, provided such Agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate General Meeting of the holders of shares of that class.

Board may accept surrender of shares

Article 12 provides that subject to the provisions of Section 100 to 105 (both inclusive) of the Act, the Board may accept from any Member on such terms and conditions as shall be agreed a surrender of all or any of his shares.

SHARES AND CERTIFICATES

Shares and share certificates

Article 13 provides that the Company shall cause to be kept a Register and Index of Members in accordance with all applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996 with details of shares held in physical and dematerialised forms in any medium as may be permitted by law including in any form of electronic medium. The Company shall be entitled to keep in any state or country outside India a branch Register of Members Resident in that State or Country.

Shares to be numbered progressively and subdivision of shares

Article 14 provides that the shares in the capital shall be numbered progressively according to their denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

Share Certificates shall be issued in marketable lots. Where Share Certificates are for either more or less than marketable lots, sub-division/consolidation to make marketable lots shall be done free of charge.

Shares at disposal of Directors

Article 15 provides that subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors, who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at premium or at par or (subject to the compliance with the provisions of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

Power also to Company in General Meeting to issue shares

Article 16 provides that in addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, by Special Resolution determine that any shares, other than bonus share issue, (whether forming part of the original capital or of any increased capital of the Company) shall be offered to any person (whether a Member or not) in such proportion and on such terms and conditions and (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, as such General Meeting shall determine and with full power to give any person (whether a Member or not) the option to call for or be allotted shares of any class of the Company either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such time and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares.

Issues of shares for consideration other than cash

Article 17 provides that subject to these articles and the provisions of the Act, the Board may issue and allot shares in the capital of the Company as payment or in consideration or as part payment or in part consideration of the purchase or acquisition of any property or for services, rendered to the Company in the conduct of its business and shares which may be so issued or allotted shall be credited or deemed to be credited as fully paid up shares.

Acceptance of shares

Article 18 provides that any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares by the applicant within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purpose of these Articles be a Member.

The Company subject to and in accordance with the provisions of the Companies Act, 1956 Securities and Exchange Board of India Act, 1992, any other Applicable Law shall have powers to buy-back any of its own shares and / or other securities.

Deposits and call etc. To be a debt payable immediately

Article 19 provides that the money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by it, shall immediately on the insertion of the name of the allottee in the Register of Members as the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

Liability of members

Article 20 provides that every Member, and his heirs, successors, executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being remaining unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.

Limitation of time for issue of certificates

Article 21 provides that:

- 1) Every Member shall be entitled, without payment, to one or more certificates in marketable lots for all the Shares of each class of denomination registered in his name, or if the Directors so approved (upon paying such fee as the Directors may from time to time determined) to several certificates, each for one or more of such shares and the Company shall complete and keep ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of it shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery vis-à-vis all such holders.
- 2) Any two or more joint allottees of a share shall, for the purpose of this article, be treated as a single Member, and the certificate of any share, which may be the subject of the joint ownership, may be delivered to any one of such joint owners on behalf of all of them.
- 3) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography,

but not by means of a rubber-stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

Issue of new certificate in place of one defaced, lost or destroyed

Article 22 provides that:

- 1) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificates may be issued in lieu, thereof, and if any share certificate is lost or destroyed, then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.
- 2) Provided that the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under the Securities Contract (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.
- 3) The provisions of this Article shall mutatis mutandis apply to the debenture certificates of the Company.
- 4) When a new share certificate has been issued in pursuance of clause (1) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is “issued in lieu of Share Certificate No. subdivided/replaced/on consolidation of shares” or “Duplicate issued in lieu of Share Certificate No.”, as the case may be. The word “Duplicate” shall be stamped or punched in bold letters across the face of the share certificate.
- 5) Where a new share certificate has been issued in pursuance of clause (1) of this Article, particulars of every such share certificate shall be entered in a Register of renewed and duplicate certificates indicating against the names of the persons to whom the certificate is issued, the number and date of issue of Share Certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the “Remark” column.
- 6) All blank forms to be used for issue of share certificate shall be printed and the printing shall be done only on the authority of a Resolution of the Board. The blank forms shall be consecutively machine numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may appoint for the purpose, and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- 7) The Managing Director of the Company for the time being or, if the Company has no Managing Director every whole time Director and if the Company has no whole time Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificate referred to in Sub-Article (6) above.
- 8) All books referred to in Sub-Article (7) above shall be preserved in good order permanently.
- 9) For the purposes of this Article the expression “the Board” or “the Board of Directors of the Company” shall bear the same meaning as these expressions bear in the Companies (Issue of Share Certificates) Rules, 1960.

The first named of joint-holders deemed sole holder

Article 23 provides that if any share stands in the names of two or more persons, the person first named in the Register shall as regards receipts of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at Meetings, and the transfer of the shares, be deemed the sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share and for incidents thereof according to the Company's regulations.

Save as herein otherwise provided, the Company shall be entitled to treat the person, whose name appears in the Register in respect of any shares, as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction or as required under Section 187C of the Act or by any Applicable Law, be under any obligation to recognize any trust, benami or equitable, contingent or any other claim to interest (future or partial) in such share on the part of any other person whether or not it shall have express or other notice thereof.

Company not bound to recognise any interest in share other than that of registered holder

Article 24 provides that except as ordered by a Court of competent jurisdiction or as by law required the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share, other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof, but the Board shall be at liberty at their sole discretion to Register any share in the joint names of any two or more persons or the survivor or survivors of them.

Declaration by person not holding beneficial interest in any shares

Article 25 provides that:

- 1) Notwithstanding anything herein contained a person whose name is at any time entered in the Register of Members of the Company as the holder of a share in the Company, but who does not hold the beneficial interest in such share, shall, if so required by the Act, within such time and in such form(s) as may be prescribed, make a declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such share in the manner provided in Section 187 C of the Act.
- 2) A person who holds a beneficial interest in a share or a class of shares of the Company, shall, if so required by the Act, within the time prescribed, after his becoming such beneficial owner make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act.
- 3) Every Member shall from time to time notify in writing to the Company a place in India to be registered as his address.
- 4) No Member, who shall change his name, shall be entitled to recover any dividend or to vote, until the notice of the change of name be duly given to the Company and all formalities in that connection completed as required by the Directors of the Company in order that such change may be registered in the books of the Company.
- 5) Shares may be registered in the name of any limited Company or other corporate body. Provided that, not more than three persons shall be registered as joint holders of any share.
- 6) Whenever there is a change in the beneficial interest in a share referred to above, the beneficial owner shall, if so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act.
- 7) Notwithstanding anything contained in the Act and Article 24 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from

the date of receipt of the declaration, a Return in the prescribed form with the Register with regard to such declaration.

Dematerialisation of securities

Article 26 provides that:

- 1) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the provisions of the Depositories Act, 1996.
- 2) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the Required Certificate Of Securities.

If a person opts to hold his security with a depository, the Company shall intimate to such depository the details of allotment of the security and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

- 3) All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Section 153 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
- 4)
 - (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
 - (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
 - (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a Member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a depository.
- 5) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository of the Company by means of electronic mode or by delivery of floppies or discs.
- 6) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
- 7) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
- 8) Nothing contained in the Act or these articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
- 9) The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

Funds of the Company may not be applied in purchase of shares of the Company

Article 27 provides that none of the funds of the Company shall be applied in the purchase of any shares of the Company, and it shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding Company save as provided by Section 77 of the Act.

UNDERWRITING AND BROKERAGE

Commission may be paid

Article 28 provides that subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or Debentures in the Company, or procuring or agreeing to procure subscription (whether absolute or conditional) for any shares or Debentures in the Company but so that the commission shall not exceed in the case of shares, five percent of the price at which the shares are issued and in case of Debentures two and a half percent of the price at which the Debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.

Brokerage

Article 29 provides that the Company may subject to the provisions of Section 76 of the Act pay a reasonable sum for brokerage.

INTEREST OUT OF CAPITAL

Interest may be paid out of capital

Article 30 provides that where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building or the provision of plant.

CALLS

Directors may make calls

Article 31 provides that the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a Resolution passed at a Meeting of the Board (and not by circular resolution) make such calls as it thinks fit upon the Members, in respect of all moneys unpaid on the shares held by them and each Member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by installments, provided that an option or right to call of shares shall not be given to any person or persons except with the sanction of the Company in the General Meeting.

Notice of calls

Article 32 provides that thirty days notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.

Calls to date from resolution

Article 33 provides that a call shall be deemed to have been made at time when the resolution authorizing such call was passed at a meeting of the Board.

Calls may be revoked or postponed

Article 34 provides that a call may be revoked or postponed at the discretion of the Board.

Liability of joint holders

Article 35 provides that the joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

Directors may extend time

Article 36 provides that the Board from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the Members whom due to residence at a distance or other cause, the Board may deem fairly entitled to such extension but no Member shall be entitled to such extension save as a matter of grace and favour.

Calls to carry interest

Article 37 provides that if any Member fails to pay any call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same, from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time, be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.

Sums deemed to be calls

Article 38 provides that any sum which by the terms of issue of a share become payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium shall for the purpose of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Proof on trial of suit for money due on shares

Article 39 provides that on the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the shares in respect of which such money is sought to be recovered, that the resolution making the call is duly recorded in the Minute Book and that notice of such call was duly given to the Member or his representatives issued in pursuance of these Articles, and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor that a Meeting at which any call was made duly convened or constituted nor any other matter whatsoever but the proof of the matter aforesaid shall be conclusive evidence of the debt.

Partial payment not to preclude forfeiture

Article 40 provides that neither the receipt by the Company of a portion of any money which shall, from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.

Payment in anticipation on calls may carry interest

Article 41 provides that:

- 1) The Directors may, if they think fit, subject to provisions of Section 92 of the Act, agree to and receive from any Member willing to advance the same, whole or any part of the amount

remaining unpaid or any shares held by him beyond the sums actually called for and upon the amount so paid in advance, or so much thereof as from time to time exceed the amount of the call then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the Member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

- 2) the Members shall not be entitled to any voting rights in respect of the money so paid by him until the same would but for such payment, become presently payable.
- 3) the provisions of these articles shall mutatis mutandis apply to the calls on debentures of the Company

LIEN

Company to have lien on shares

Article 42 provides that the Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid up shares/debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures, and no equitable interest in any shares shall be created except on the condition that this article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed, the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien, if any, on such shares/debentures. The Directors may at any time declare any share/debenture to be wholly or in part exempt from the provisions of this clause.

As to enforcing lien by sale

Article 43 provides that for the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as the Board shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorize one of their number to execute a transfer thereof on behalf of and in the name of such Member. No sale shall be made until such period as aforesaid shall have expired, and until notice in writing of the intention to sell shall have been served on such Member or his representatives and default shall have been made by him or them in payment, fulfilment, or discharge of such debts, liabilities or engagements for thirty days after such notice.

Application of proceeds to sale

Article 44 provides that the net proceeds of any such sale referred to in article 43 above shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of the sale.

FORFEITURE OF SHARES

If money payable on share not paid, notice to be given to Member

Article 45 provides that if any Member fails to pay any call or instalment of a call on or before the date appointed for the payment of the same or any extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or instalments remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

Form of notice

Article 46 provides that the notice shall name a day (not being less than thirty days from the date of the notice) and a place or places on and at which such calls or instalments and such interest thereon at such

rate as the Directors from time to time shall determine from the day on which such call or instalment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment is payable, will be liable to be forfeited.

In default of payment share to be forfeited

Article 47 provides that if the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture.

Notice of forfeiture to Member

Article 48 provides that when any share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

Forfeited share to be property of the Company and may be sold etc.

Article 49 provides that any share so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.

Member still liable to pay money owing at time of forfeiture and interest

Article 50 provides that any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest from the time of the forfeiture until payment, at such rate as the Board from time to time may determine and the Board may enforce the payment thereof if it thinks fit.

Effect of forfeiture

Article 51 provides that the forfeiture of a share shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company in respect of the share and all other rights incidental to the share, except only such of those rights as by these articles are expressly saved.

Evidence of forfeiture

Article 52 provides that a declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these articles on the date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

Validity of sale

Article 53 provides that upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

Cancellation of share certificate in respect of forfeited shares

Article 54 provides that upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the persons entitled thereto.

Power to annul forfeiture

Article 55 provides that the Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off, annul the forfeiture thereof upon such conditions as it thinks fit.

TRANSFER AND TRANSMISSION OF SHARES

Register of transfers

Article 56 provides that the Company shall keep a “Register of Transfers” and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.

Instrument of transfer

Article 57 provides that the instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. There shall be a common form of transfer.

Transfer form to be completed and presented to the Company

Article 58 provides that the instrument of transfer duly stamped and executed by the transferor and the transferee shall be delivered to the Company in accordance with the provisions of the act. The instrument of transfer shall be accompanied by such evidence as the Board may require to prove the title of the transferor and his right to transfer the shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board. The transferor shall be deemed to be the holder of such shares until the name of the transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer, the certificate or certificates of the shares must be delivered to the Company.

Transfer books and Register of Members when closed

Article 59 provides that the Board shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situated, to close the transfer books, the Register of Members or Register of debentures holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty five days in each year.

Directors may refuse to Register transfers

Article 60 provides that subject to the provisions of Section 111A and any other applicable provision of the Act, Section 22A of the Securities Contracts (Regulations) Act, 1959 or any other law for the time being in force, the Directors may, whether in pursuance of any power of the Company under these articles or otherwise, decline to Register or acknowledge any transfer of or the transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company (notwithstanding that the proposed transferee is already a Member of the Company) but in such cases, the Company shall, within one month from the date on which the instrument of transfer, or the intimation of transmission, as the case may be, was lodged with the Company, send to the transferee and the transferor or person giving intimation of such transmission, as the case may be, giving reasons for such refusal, notice of the refusal to Register such transfer, provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares. However, no transfer of shares/debentures shall be refused on the ground of them not

being held in marketable lots.

Notice of application when to be given

Article 61 provides that where, in case of partly paid shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

Death of one or more joint holders of shares

Article 62 provides that subject to article 60 hereof in the case of death of any one or more of the persons named in the Register of Members as the joint-holders of any share, the survivor or survivors shall be the only persons recognized by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

Title to shares of deceased Members

Article 63 provides that the executors or administrators or holders of a succession certificate or the legal representatives of a deceased Member (not being one or two or more joint-holders) shall be the only persons recognized by the Company as having any title to shares registered in the name of such Member and the Company shall not be bound to recognize such executors or administrators or holders of a succession certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in the union of India, provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of probate or letters of administration or succession certificate upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and under article 62 Register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased Member, as a Member.

No transfer to minor etc.

Article 64 provides that no transfer shall be made to a person of unsound mind or undischarged insolvent and transfer of partly paid shares shall not be made to a minor.

Registration of persons entitled to shares otherwise than by transfer

Article 65 provides that subject to the provisions of the Act and these articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Member or by any lawful shall mean other than by a transfer in accordance with these articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to Act under this article or of such title as the Board thinks sufficient either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board registered as such holder, provided nevertheless that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be, freed from any liability in respect of the shares.

If any person entitled to any shares by transmission shall give the required proof of his title and shall declare his election to be himself registered as Member of the Company the Directors may (but without any obligation on their part to do so) upon payment of such fee as shall be fixed by the Board place his name upon the Register in respect of the said shares and if such person as aforesaid shall give the required proof and nominate some other person to be registered the person so nominating and the person so nominated shall respectively as transferor and transferee execute an instrument of transfer and the name of the transferee may subject to the regulations as to transfers hereinbefore contained, upon payment of such fee as shall be fixed by the Board, be placed upon the Register in respect of the said shares.

If any person becoming entitled by transmission to any partly paid shares shall not have complied with the terms of the preceding articles from the time of so becoming entitled, the Board may cause to be

served on him a notice requiring him to comply with the said terms within a period as shall be fixed by the Board from the date of such notice and stating that if it does not comply with the requirements of the said notice the shares in respect of which such notice is given will be liable to forfeiture and if the person on whom such notice has been served shall not comply with the requirements thereof within the time mentioned therein, the shares, in respect of which the said notice was given together with any dividends declared shall be liable to be forfeited by a resolution of the Board passed at any time before the requirements of the said notice shall have been complied with.

The guardian of an infant entitled to shares and the committee of a lunatic Member of a lunatic entitled to shares may upon producing to the Directors such evidence of their position as may be reasonably required to be placed upon the Register in respect of the shares to which such infant or lunatic may be entitled as the case may be.

Persons entitled may receive dividend without being registered as Members

Article 66 provides that a person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive, and may give a discharge for any dividends or other moneys payable in respect of the share.

Transfer to be presented with evidence of title

Article 67 provides that every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by the certificate of the shares to be transferred and such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

Modification of rights

Article 68 provides that whenever the capital is divided into different classes of shares all or any of the rights and privileges attached to each class may subject to the provisions of Sections 106 and 107 of the Act be modified, commuted, affected, abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is (a) ratified in writing by the holders of at least three-fourths in nominal value of the issued shares of the class or is (b) confirmed by a resolution passed at a separate General Meeting of the holders of shares of that class and supported by the votes of the holders of not less than three-fourths of those shares, and all the provisions hereinafter contained as to General Meetings shall *mutatis mutandis*, apply to every such meeting, but so that the quorum thereof shall be the Members holding or representing by proxy or attorney one-fifth of the nominal amount of the issued shares of that class. This article is not to derogate from any power the Company would have had if this article were omitted.

No fee on transfer or transmission

Article 69 provides that no fees shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document with the Company.

Company not liable for disregard of a notice, prohibiting registration of a transfer

Article 70 provides that the Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

Copies of memorandum and articles of association to be sent by the Company

Article 71 provides that copies of memorandum and articles of association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Company to every Member at his request within seven days of the request on payment of such sum for each copy, not exceeding the maximum sum prescribed under the Act and other applicable regulations if any, as the Board may from time to time prescribe in this behalf.

Nomination

Article 72 provides that subject to, and in accordance with, Sections 109 A and 109 B of the Act:

- (a) every holder of shares in, or holder of debentures of, the Company may, at any time, nominate, in the prescribed manner, as notified by the Company, a person to whom his shares in, or debentures of, the Company shall vest in the event of his death.
- (b) where the shares in, or debentures of, the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, as notified by the Company, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all the joint holders.
- (c) notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in, or debentures of the Company, where a nomination made in the prescribed manner, as notified by the Company, purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or holder of debentures of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company or, as the case may be, all the joint holders, in relation to such shares in, or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner, as notified by the Company.
- (d) Where the nominee is a minor, it shall be lawful for the holder of the shares, or holder of debentures to make the nomination to appoint in the prescribed manner, as notified by the Company any person to become entitled to shares in or debentures of the Company in the event of his death, during the minority.
- (e) any person who becomes a nominee by virtue of the provisions of Section 109A, or the articles herein, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either :
 - (i) To be registered himself as holder of the share or debenture, as the case may be; or
 - (ii) To make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debenture holder, as the case may be, could have made.
- (f) if the person being a nominee, so becoming entitled, elects to be registered as holder of the share or debenture, himself as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder, as the case may be.
- (g) all the limitations, restrictions and provisions of the Act and these articles relating to the right to transfer and the registration of transfers of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the Member had not occurred and the notice or transfer were a transfer signed by that shareholder or debenture holder, as the case may be.
- (h) a person, being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be

entitled if he were the registered holder of the share or debenture except that he shall not, before being registered a Member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share or debenture, until the requirements of the notice have been complied with.

BORROWING POWERS

Borrowing powers

Article 73 provides that subject to the provisions of Sections 58A, 292, 293, 370 and other applicable provisions of the Act, the Board may from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposits from Members either in advance of calls or otherwise and generally from any source, or raise, borrow or secure the payment, for the purpose of the Company, of such sums as it thinks fit, provided however, where the money to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers, in ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, the Board shall not borrow or raise such money without the consent of the Company in General Meeting.

Payment or repayment of moneys borrowed

Article 74 provides that subject to the provisions of article 71 hereof, the payment or repayment of moneys raised or borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Special Resolution shall prescribe including by the issue of debentures or debenture-stock of the Company, charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being and debentures, debenture-stock and other securities and may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Terms of issue of debentures

Article 75 provides that any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting accorded by a Special Resolution.

Register of mortgages etc. To be kept

Article 76 provides that the Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 and other applicable provisions of the Act of all mortgages, debentures and charges specifically affecting the property of the Company and shall cause the requirements of Sections 118, 125 and 127 to 144 (both inclusive) of the Act in that behalf to be duly complied with, to the extent they are required to be complied with by the Board.

Register and index of debenture holders

Article 77 provides that the Company shall, if at any time it issues debentures, keep a Register and index of debenture-holders in accordance with Section 152 of the Act. The Company shall have the power to keep in any state, or country outside India a branch Register of debenture-holders resident in that state or country, as the case may be.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Shares may be converted into stock

Article 78 provides that the Company in General Meeting may convert any of its paid-up shares into stock, and when any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the same regulations, and subject to which shares from which the stock arose might have been transferred, as if no such conversion had taken place, or as near thereto as circumstances will admit. The Company in General Meeting may at any time reconvert any stock into paid-up shares of any denomination.

Right of stock-holders

Article 79 provides that the holders of stock shall, according to the amount of stock held by them have the same rights, privileges and advantages as regards to dividends, voting at meetings of the Company, and other matters as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets at winding-up) shall be conferred by any amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

MEETINGS OF MEMBERS

Annual General Meeting

Article 80 provides that the Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings. An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the registrar under the provisions of Section 166(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for at a time during business hours, on a day that is not a public holiday, and shall be held at the office of the Company or at some other place within the city in which the office of the Company is situated as the Board may determine and the notices calling the meeting shall specify as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting. Every Member of the Company shall be entitled to attend either in person or by proxy and the auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors report and audited statement of accounts, the proxy Register with proxies and the Register of Directors' shareholding which latter Register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the annual list of Members, summary of share capital, balance sheet and profit and loss account and forward the same to the registrar in accordance with Sections 159, 161 and 220 of the Act.

Extraordinary General Meeting

Article 81 provides that the Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any Member of Members holding in the aggregate not less than one-tenth of such of the paid-up capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.

Requisition of Members to state object of meeting

Article 82 provides that any valid requisition so made by a Member must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the office provided that such requisition may consist of several documents in like form each, signed by one or more requisitionists.

On receipt of requisition Directors to call meeting and in default requisitionists may do so

Article 83 provides that upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within twenty-one days from the date of the requisition being deposited at the office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in Section 169(4) of the Act, whichever is less, may themselves call the meeting but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

Meeting called by requisitionists

Article 84 provides that any meeting called under the foregoing articles by the requisitionists shall be called in the same manner as nearly as possible, as that in which meetings are to be called by the Board.

General Meetings

Article 85 provides that:

- a) A General Meeting of the Company shall be called by giving not less than twenty-one (21) clear days notice in writing.

When meeting may be called at shorter notices

- b) a General Meeting may be called after giving shorter notice than that specified in sub-clause (a) hereof, if consent is accorded thereto:
 - i) in the case of an Annual General Meeting, by all the Members entitled to vote thereat; and
 - ii) in the case of any other meeting, by Members of the Company holding not less than ninety-five percent (95%) of such part of the paid-up share capital of the Company as gives a right to vote at the meeting. Provided that where any Members of the Company are entitled to vote on some resolution or resolutions to be moved at a meeting and not on the others, those Members shall be taken into account for the purposes of this sub-clause in respect of the former resolution or resolutions and not in respect of the latter.

Contents of notice

- c) every notice of a General Meeting of the Company shall specify the place, date and hour of the meeting and shall contain a statement of the business to be transacted thereat.

Statement in every notice

- d) in every notice there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself and that a proxy need not be a Member of the Company.

To whom notice has to be given

- e) the notice shall be given to such persons as are entitled to receive from the Company under the provisions of Section 172 (2) of the Act.

Special business at Annual General Meeting

- f) in the case of an Annual General Meeting of the Company all business to be transacted at the meeting shall be deemed special, with the exception of business relating to (i) the consideration of the accounts, the balance sheet and reports of the Board of Directors and auditors, (ii) the declaration of dividend, and (iii) the appointment of Directors in the place of

those retiring.

Special business at other meetings

- (g) In the case of any other meeting, all business shall be deemed special.

Explanatory statement

- (h) The Company shall send to all Members an explanatory statement under and in accordance with the provisions of Section 173 of the Act.

Resolution special notice

- i) where, by any provision contained in the Act or in these articles, special notice is required of any resolution, notice of intention to move the resolution shall be given to the Company not less than fourteen (14) days before the meeting at which it is to be moved, exclusive of the day on which the notice is served or deemed to have been served and the day of the meeting.

Notice to Members of resolution

- j) The Company shall immediately after the notice of the intention to move any such resolution has been received by it give its Members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having appropriate circulation or in any other mode allowed by the articles not less than seven (7) days before the meeting.

Omission to give notice not to invalidate a resolution passed

Article 86 provides that the accidental omission to give any such notice as aforesaid to any of the Member or the non-receipt thereof, except to BPC, shall not invalidate any resolution passed at any such meeting.

Meeting not to transact business not mentioned in notice

Article 87 provides that no General Meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in notice or the notices upon which it was convened.

Quorum of General Meeting

Article 88 provides that five Members present in person shall be a quorum for any General Meeting. No business shall be transacted at any General Meeting unless the requisite quorum shall be present.

If quorum not present meeting to be dissolved or adjourned

Article 89 provides that if at the expiration of half an hour from the time appointed for holding a meeting of the Company a quorum shall not be present, the meeting, if convened by or upon the requisition of Members, shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day and at such other time and place within the city, town or village in which the registered office of the Company is situated as the Board may determine, and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the Members present in person or by proxy shall be a quorum and may transact the business for which the meeting was called.

Body corporate deemed to be personally present

Article 90 provides that a body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.

Chairman of the General Meetings

Article 91 provides that the Chairman of the Board shall be entitled to take the chair at every General Meeting. If there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to take the chair, the Managing Director of the Company shall be entitled to take the chair at such meeting and failing him, the Members present shall choose another Director as Chairman and if no Director be present or if all the Directors present decline to take the chair then the Members present shall on a show of hands or on a poll, if properly demanded, elect one of their number, being a Member entitled to vote to be Chairman of the meeting.

Business confined to election of Chairman whilst chair is vacant

Article 92 provides that no business shall be discussed at any General Meeting except the election of Chairman of the meeting whilst the chair is vacant.

Chairman with consent may adjourn meeting

Article 93 provides that the Chairman of the meeting with the consent of the majority Members may adjourn any meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which adjournment took place.

Questions at General Meeting how decided

Article 94 provides that at any General Meeting a resolution put to the vote of the meeting shall, unless a poll is demanded in accordance with article 96 hereof, be decided on a show of hands. In the case of an equality of votes, whether on a show of hands or a poll the Chairman shall not have a seconding or casting vote.

Chairman's declaration of result of voting on show of hands shall be conclusive

Article 95 provides that a declaration by the Chairman that a resolution has, on a show of hands, been carried unanimously, or by a particular majority or lost, and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against the resolution.

Demand for poll

Article 96 provides that before or on the declaration of the results of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present in person or by proxy and holding shares in the Company, which confer a power to vote on the resolution not being less than one tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than Rs.50,000/- (rupees fifty thousand) has been paid up.

Poll how taken

Article 97 provides that a poll demanded on any matter, other than the election of the Chairman, or on a question of adjournment, shall be taken not later than forty-eight (48) hours from the time when the demand was made, as the Chairman may direct. Subject to the provisions of the Act, the Chairman of the meeting shall have the power to regulate the manner in which a poll shall be taken. The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Scrutineers at poll

Article 98 provides that where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinize the votes given on the poll and to report thereon to him. One of the scrutineers

so appointed shall always be a Member (not being an officer or employee of the Company) present at the meeting, provided such a Member is available and willing to be appointed. The Chairman of the meeting shall have power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.

Postal ballot

Article 99 provides that the Board, subject to the provisions of Section 192a of the Act, may and in case of resolutions relating to such business as declared by the central government by notification to be conducted by postal ballot, shall, get any resolution passed by means of a postal ballot, instead of transacting the business in General Meeting of the Company.

In what case poll taken without adjournment

Article 100 provides that any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith.

Demand for poll not to prevent transaction of other business

Article 101 provides that the demand for a poll except on the question of the election of the Chairman of the meeting and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTES OF MEMBERS

Members in arrears not to vote

Article 102 provides that no Member shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, or has exercised, any right of lien.

Every Member entitled to attend, speak and vote

Article 103 provides that subject to the provisions of these articles and of the Act, every Member shall be entitled to be present and to speak and vote at every meeting.

Voting rights

Article 104 provides that subject to the provisions of the Act and of these articles, the voting rights of the Members shall be as follows:

- a. Upon show of hands, every Member present in person and holding any equity share capital therein, shall have one vote, in respect of such capital, on every resolution placed before the Company.
- b. Upon a poll every Member present in person or by proxy shall have one vote for each equity share held by him. Provided, however, that if any preference shareholder be present at any meeting of the Company save as provided in clause (b) of sub-Section (2) of Section 87 of the Act, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.

Casting of votes by a Member entitled to more than one vote

Article 105 provides that on a poll taken at a meeting of the Company a Member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

How members non-compose mentis may vote

Article 106 provides that a Member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy may vote, whether on a show of hands or on a poll, by a legal committee or other legal guardian; and any such committee or guardian may, on poll vote by proxy. If any Member be a minor, the vote in respect of his share or shares shall be by his guardian, or any one of his guardians if more than one, to be selected in case of dispute by the Chairman of the meeting.

Vote of joint-members

Article 107 provides that if there be joint registered holders of any shares, any one of such persons may vote at any meeting or may appoint another person (whether a Member or not) as his proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting, that one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint-holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name shares stand shall for the purpose of these articles be deemed joint-holders thereof.

Voting in person or by proxy

Article 108 provides that subject to the provisions of these articles votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorized in accordance with Section 187 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member.

Votes in respect of shares of deceased and insolvent Member

Article 109 provides that any person entitled under article 65 to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

Appointment of proxy

Article 110 provides that every proxy (whether a Member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporate body under the common seal of such corporation or be signed by an officer or any attorney duly authorized by it, and any committee or guardian referred to in article 101 may appoint such proxy. The proxy shall not have the right to speak at the meetings.

Proxy either for specified meeting or for a period

Article 111 provides that an instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Company, or for every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

Proxy to vote only on a poll

Article 112 provides that a Member present by proxy shall be entitled to vote only on a poll.

Deposit of instrument of appointment

Article 113 provides that:

- (1) the instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of the power or authority shall be deposited at

the office not later than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution unless deposited with the Company within the said period.

Member's right to inspect proxies

- (2) every Member entitled to vote at a meeting of the Company according to the provisions of these articles on any resolution to be moved thereat shall be entitled during the period beginning twenty four (24) hours before the time fixed for commencement of the meeting to inspect the proxies lodged at any time during the business hours of the Company provided that not less than three (3) days notices in writing of the intention of such Member to so inspect is given to the Company.

Form of proxy

Article 114 provides that every instrument of proxy whether for a specified meeting or otherwise shall as nearly as circumstances will admit, be in any of the form set out in schedule ix of the Act.

Validity of votes given by proxy notwithstanding death of Member

Article 115 provides that a vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of any power of attorney under which such proxy was signed or the transfer of the shares in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting.

Time for objection of votes

Article 116 provides that no objection shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be so tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

Chairman of the meeting to be the sole judge of the validity of any vote

Article 117 provides that the Chairman of any meeting shall be sole judge of the validity of every vote tendered at such meeting. The Chairman of the meeting present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

MINUTES

Minutes of General Meeting and inspection thereof by Member

Article 118 provides that:

- (1) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.
- (2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorized by the Board for the purpose.
- (3) In no case the minutes of proceedings of a meeting shall be attached to any such books as aforesaid by pasting or otherwise.

- (4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (5) All appointments of officers if made at any meeting aforesaid shall be included in the minutes of the meeting.
- (6) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes any matter whatsoever and in particular a matter which in the opinion of the Chairman of the meeting (a) is or could reasonably be regarded as defamatory of any person, (b) is irrelevant or immaterial to the proceedings, or (c) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds or otherwise.
- (7) Any such minutes shall be evidence of the proceedings recorded therein.
- (8) The book containing minutes of proceedings of General Meeting shall be kept at the office of the Company and shall be open during business hours, for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any Member without charge.

DIRECTORS

Number of Directors

Article 119 provides that subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than 3 nor more than 12 (excluding alternate Directors, and Directors, if any, nominated by public financial institutions or other lending institutions).

First Directors

Article 120 provides that:

- (1) The first Directors of the Company shall be:
 - 1) RAJ KUMAR SUKHDEV SINHJI
 - 2) U. SUNDARARAJAN
 - 3) RAM PAT GARG
 - 4) JOHN CHR. M.A.M. DEUSS
 - 5) MICHAEL CORRIE
 - 6) H.E. ALI BIN ABDULLAH AL TAMIMI
- (2) All the first Directors of the Company shall hold office up to the date of the first Annual General Meeting of the Company, but shall be eligible for election thereafter.

Proportion of Directors to retire by rotation

Article 121 provides that not less than two third of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation. One third of the Directors shall be non-retiring Directors.

Representation of BPC and OOC on the Board

Article 122 provides that:

- (1) BPC has the right to appoint at least two persons as Directors of the Company and to remove any such person from office and on a vacancy being caused in such office from any cause whether by resignation, death, removal or otherwise of any of the persons so appointed, to appoint another in the vacant place. At least one of Directors so appointed under this article shall be liable to retire by rotation.

- (2) The appointment or removal of the non-retiring Director of BPC under this article shall be by notice in writing addressed to the Company and shall take effect forthwith upon such notice being received by the Company.
- (3) OOC has the right to appoint one person as a non-retiring Director of the Company so long as its holding is not below 10% of the paid up capital and to remove any such person from office and on a vacancy being caused in such office from any cause whether by resignation, death, removal or otherwise of the person so appointed, to appoint another in the vacant place. The Director so appointed under this article shall not be liable to retire by rotation.
- (4) The appointment or removal of the non-retiring Director of OOC under this article shall be by notice in writing addressed to the Company and shall take effect forthwith upon such notice being received by the Company.
- (5) In the event OOC ceases to have the right to nominate non-retiring Director, OOC shall cause the non-retiring Director appointed by them to vacate the office forthwith.

Nominee Directors

Article 124 provides that:

- (1) Notwithstanding anything to the contrary contained in these articles, pursuant to the loan agreements, the Rupee Lenders shall have the right to appoint to the Board and replace from time to time while there is a rupee loan facility outstanding, to the maximum extent of one nominee Director or observer (the “observer”) for the Rupee Lenders.
- (2) The nominee Director shall:
 - i) Not be required to hold qualification shares nor be liable to retire by rotation.
 - ii) Any expenditure incurred by the Rupee Lenders and/or the nominee Director in connection with his appointment of Directorship shall be borne and payable by the Company.
 - iii) Be appointed a Member of committees of the Board, if so desired by the Rupee Lenders.
- (3) The nominee Director or the observer shall be entitled to receive all notices, agenda, etc. And to attend all General Meetings and Board meetings and meetings of any committees of the Board of which he is a Member.
- (4) If, at any time, the nominee Director is not able to attend a meeting of the Board of Directors or any of its committees of which he is a Member, the Rupee Lenders may depute an observer to attend the meeting. The expenses incurred by the Rupee Lenders in this connection shall be borne and payable by the Company.
- (5) The nominee Director / the observer shall be entitled to furnish to the Rupee Lenders a report of the proceedings of all such meetings.
- (6) The appointment / removal of the nominee Director / the observer shall be by a notice in writing by the Rupee Lenders addressed to the Company and shall (unless otherwise indicated by the Rupee Lenders) take effect forthwith upon such a notice being delivered to the Company.
- (7) The nominee Director shall be entitled to all the rights, privileges and indemnities of other Directors including the sitting fees and expenses as are payable by the Company to the other Directors, but if any other fees, commission, moneys or remuneration in any form are payable by the Company to the Directors in their capacity as Directors, the fees, commission, moneys and remuneration in relation to such nominee Directors shall accrue to the Rupee Lenders in proportion to their respective rupee loan facility then outstanding and the same shall

accordingly be paid by the Company directly for the respective accounts of the Rupee Lenders; provided that if such nominee Director is an officer of any or the Rupee Lenders the sitting fees in relation to such nominee Director shall accrue to the relevant Rupee Lender and the same shall accordingly be paid by the Company directly to such Rupee Lender for its account. Any expenditure incurred by a nominee Director or any Rupee Lender in connection with such appointment or Directorship shall be borne by the Company.

- (8) The Company shall ensure that the observer shall be entitled to the same indemnities as the Directors and shall be indemnified by the Company against any liabilities, losses, damages, claims, penalties, judgements, suits, costs and expenses arising as a result of its actions pursuant to the appointment as an observer.
- (9) Notwithstanding what is stated in sub clause (1) above upon the occurrence of an event of default in terms of the loan agreements, the Rupee Lenders shall have the right to appoint 2 (two) additional nominee Directors. Further, life insurance corporation of India being one of the Rupee Lender may, with the consent of the other Rupee Lenders, appoint one of the two nominee Directors.

Rotation and retirement of Directors

Article 125 provides that:

- (1) At each Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest of one-third shall retire from office. An additional Director appointed by the Board shall not be liable to retire by rotation within the meaning of this article.

- (2) **Which Director to retire**

the Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day those to retire shall in default of a subject to any agreement among themselves, be determined by lot.

MANAGING DIRECTOR

BPC may nominate Managing Director

Article 126 provides that:

- (1)
 - (a) subject to BPC holding not less than 26% equity share capital of the Company, BPC shall have the right to nominate and withdraw one of the Directors appointed pursuant to article 122 representing BPC as the Managing Director of the Company to be elected by the Board of Directors. On a vacancy being caused in such office for any cause whether by resignation, death, removal or otherwise of the person so appointed, BPC shall have the right to nominate another in the vacant place as Managing Director of the Company who shall not be liable to retire by rotation so long as he continues to be the Managing Director.
 - (b) the exercise by BPC of its rights under this article shall be by a notice in writing addressed to the Company signed by Managing Director of BPC or other person so authorized by the Board of BPC and shall be given effect to promptly upon such notice being received by the Company.
- (2) the Managing Director nominated by BPC and appointed by the Board under sub article (1) above shall have such powers, functions and duties as may be delegated to him by the Board and shall be subject to the superintendence, direction and control of the Board.

Board may appoint Managing Director

Article 127 provides that subject to the provisions of Sections 269, 309 and other applicable provisions of the Act and article 126 hereof, the Board shall have power to appoint from time to time a Managing Director of the Company, for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit and, subject to the provisions of article 118 the Board may by resolution vest in such Managing Director such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine. The remuneration of a Managing Director may be by way of monthly payment, fee or each meeting participation in profits, or by any or all these modes or any other mode not expressly prohibited by the Act.

Restrictions of management

Article 128 provides that the Managing Director shall not exercise the powers to:

- (a) make calls on shareholders in respect of money unpaid on the shares in the Company;
- (b) Issue debentures;
- (c) and except to the extent mentioned in the resolution passed at the Board meeting under Section 292 of the Act, shall also not exercise the power to -
 - (i) borrow moneys, otherwise than on debentures;
 - (ii) Invest the funds of the Company; and
 - (iii) Make loans.

Other Wholetime Directors

Article 129 provides that subject to the provisions of Section 269 and 309 and other applicable provisions of the Act and these articles the Board of Directors may appoint, in addition to the Managing Director, one or more wholetime Directors, to whom the Board may, from time to time, delegate such powers as may be considered necessary. Provided that the Managing Director may sub-delegate to one or more whole time Directors any of the powers delegated to him by the Board. The wholetime Directors shall be subject to retirement by rotation in accordance with article 125 hereof.

Debenture Directors

Article 130 provides that if it is provided by a trust deed securing or otherwise in connection with any issue of debentures of the Company that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as a debenture Director. A debenture Director may be removed from office at any time by the person or the persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. Subject to article 122, a debenture Director may not be liable to retire by rotation.

Appointment of Alternate Directors

Article 131 provides that subject to the provision of Section 313 of the Act, the Board may appoint an alternate Director recommended for such appointment by the Director (hereinafter called the "original Director") to Act for him during his absence for a period of not less three months from the state in which the meetings of the Board are ordinarily held. An alternate Director appointed under this article shall not hold the office as such for a longer period than that permissible to the original Director in whose place he has been appointed and shall vacate office if and when the original Director returns to the said state. If the term of office of the original Director is determined before he so returns to the said state, any provision in the Act, or in these articles for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the original Director and not to the alternate Director.

Directors power to add to the Board

Article 132 provides that subject to the provisions of Sections 260 and 264 of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an additional Director but so that the total number of Directors shall not at any time exceed the maximum fixed under article 119. Any such additional Director shall hold office only up to the date of the next Annual General Meeting.

Directors' power to fill casual vacancies

Article 133 provides that subject to the provisions of Sections 262 and 264 of the Act, the Board shall have power at any time to appoint another person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated by him.

Qualification shares held by Directors

Article 134 provides that a Director shall not be required to hold any qualification shares in the Company.

Directors fees and remuneration and expenses

Article 135 provides that unless otherwise determined by the Company in General Meeting, each Director shall be entitled to receive out of the funds of the Company for his services in attending meetings of the Board or a committee of the Board, a fee of such maximum sum as may be prescribed by the central government, from time to time in this behalf, for every meeting of the Board or a committee of the Board attended by him. The Directors (excluding Managing or whole-time Directors) shall also be entitled to receive commission at such rate not exceeding 1 per cent of the net profits of the Company computed in the manner referred to in sub-Section (1) of the Section 198 of the Act as may from time to time be determined by the Board and the same shall be divided between them in such proportion as the Board may determine and in default of determination, equally. All other remuneration, if any, payable by the Company to each Director, whether in respect of his services as a Managing Director or a Director in whole or part time employment of the Company shall be determined in accordance with and subject to the provisions of these articles and of the Act.

Travelling expenses incurred by a Director not being a resident or by a Director travelling on the Company's business

Article 136 provides that the Board may allow and pay to any Director, who is not a bonafide resident of the place where the General Meetings and meetings of the Board are ordinarily held and who shall come to such a place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for travelling, Boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified; and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses incurred in connection with the business of the Company.

Special remuneration of Directors performing extra services

Article 137 provides that subject to the provisions of Section 198, 309, 310 and 314 of the Act, if any Director, being willing, shall be called upon to perform extra services (which expression shall include work done by a Director as a Member of any committee governed by the Directors or in relation to signing share certificates) or to make any special exertions in traveling or residing out of the place if his bona fide residence or otherwise for any of the purposes of the Company, the Company may remunerate the Director for so doing either by a fixed sum or otherwise as may be determined by the Directors, and such remuneration may be, either in addition to or in substitution for his or their share in the remuneration above provided.

Director may Act notwithstanding any vacancy

Article 138 provides that the continuing Directors may Act subject to the provisions of the articles,

notwithstanding any vacancy in their body but if and so long as their number is reduced below the minimum, the continuing Directors not being less than two may Act for the purpose of increasing the number of Directors to that number or of summoning a General Meeting but for no other purpose.

Director may contract with Company

Article 139 provides that:

- (1) A Director or his relative, or any firm in which such Director or relative is a partner, or any other partner in such firm or a private Company of which the Director is a Member or Director may enter into any contract with the Company for the sale, purchase or supply of any goods, materials or services or for underwriting the subscription of shares in or debentures of the Company, provided that in the case of the Company having a paid-up capital of not less than rupees one crore, no such contract shall be entered into except with the previous approval of the central government and the sanction of the Board shall be obtained before or within three months of the date on which the contract is entered into in accordance with Section 297 of the Act.
- (2) No sanction shall, however, be necessary for:
 - (a) Any purchase of goods and material from the Company, or the sale of goods or materials of the Company by any such Director, relative, firm, partner or private Company as aforesaid for cash at prevailing market price; or
 - (b) Any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private Company on the other for sale, purchase or supply of any goods, materials and services in which either the Company or the Director, relative, firm, partner or private Company, as the case may be, regularly trades or does business, where the value of the goods and materials or the cost of such services does not, exceed Rs.5000/- (rupees five thousand only) in the aggregate in any year comprised in the period of the contract or contracts. Provided that in circumstances of urgent necessity a Director, firm, partner or private Company as aforesaid may, without obtaining the consent of the Board enter into any suitable contract with the Company for the sale, purchase or supply of any goods materials or services even in the value of such goods or cost of such services exceed Rs.5000/- (rupees five thousand only) in the aggregate in any year comprised in the period of the contract, if the consent of the Board shall be obtained to such contract or contracts at a meeting within three months of the date on which the contract was entered into.

Disclosure of interest

Article 140 provides that a Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299 of the Act. Provided that it shall not be necessary for a Director to disclose his concern or interest or arrangement entered into or to be entered into with any other Company where any of the Directors of the Company or two or more of them together holds or hold not more than two per cent of the paid-up share capital in any such other Company.

General notice of disclosure

Article 141 provides that a general notice, given to the Board by the Director to the effect that he is a Director or Member of a specified body corporate or is a Member of a specified firm and is to be regarded as concerned or interested in any notice shall expire at the end of the financial year in which it shall be given but may be renewed for a further period of one financial year at a time by fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

Interested Directors not to participate or vote in Board's proceedings

Article 142 provides that no Director shall as a Director take part in the discussion of, or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly concerned or interested in such contract arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote, and if he does vote, his vote shall be void. Provided however, that nothing herein contained shall apply to:

- (a) any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;
- (b) any contract or arrangement entered into or to be entered into with a public Company or a private Company which is subsidiary of a public Company in which the interest of the Director consists solely:
 - (i) in his being:
 - a) a Director of such Company; and
 - (b) the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company; or
 - (ii) in his being a Member holding not more than two percent of its paid-up share capital.

Register of contracts in which the Directors are interested

Article 143 provides that the Company shall keep a Register in accordance with Section 301(1) of the Act and shall within the specified time, specified in Section 301 (2) of the Act enter therein such particulars as may be relevant having regard to the application thereto of Section 297 or Section 299 of the Act as the case may be. The Register aforesaid shall also specify in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under article 141. The Register shall be kept at the office of the Company and shall be open to inspection at such office and extracts may be taken and copies thereof may be required by any Member of the Company to the same extent, the same manner and on payment of the same fee as in the case of the Register of members of the Company and the provisions of Section 163 of the Act shall apply accordingly.

Directors may be Directors of companies promoted by the Company

Article 144 provides that a Director may be or become a Director of any Company promoted by the Company or in which it may be interested as a vendor, purchaser, shareholder or otherwise, and no such Director shall be accountable for any benefits received as a Director or shareholder of such Company except in so far as Section 309(6) or Section 314 of the Act may be applicable.

Eligibility for re-election

Article 145 provides that a retiring Director shall be eligible for re-election and shall Act as a Director throughout the meeting at which he retires.

Composition of Board to be maintained while filling vacancy

Article 146 provides that subject to the provisions of the Act and the article, the Company at the Annual General Meeting at which a Director retires in the manner aforesaid, may fill in the vacated office by electing a person thereto so as to maintain the composition of the Board of Directors as provided in these articles.

Provision in default of appointment

Article 147 provides that:

- (1) If the place of the retiring Director is not so filled up and the meeting had not expressly resolved not to fill the vacancy the meeting shall stand adjourned till the same day in the next week at the same time and place or if that day is a public holiday, till the next succeeding day which is not a holiday, at the same time and place.
- (2) If at the adjourned meeting also the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless:
 - (i) at that meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;
 - (ii) the retiring Director has by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so re-appointed;
 - (iii) He is not qualified or is disqualified for appointment;
 - (iv) A resolution, whether special or ordinary, is required for the appointment or re-appointment by virtue of any provisions of the Act; or
 - (v) The provision to sub-Section (2) of Section 263 of the Act is applicable in the case.

Company may increase or reduce the number of Directors

Article 148 provides that subject to Section 259 of the Act, the Company may by Special Resolution from time to time, increase or reduce the number of Directors, and may alter their qualification and the Company may (subject to the provisions of Section 284 of the Act) remove any Director before the expiration of his period of office and appoint another person in his stead provided in case the Director removed is a nominee of BPC, the person appointed in his stead shall also be a nominee proposed by BPC, the person so appointed shall hold office for such time as the Director in whose place he is appointed would have held the same if he had not been removed.

Disclosure by Director of appointment to any other body corporate

Article 149 provides that:

- (1) Every Director, including a person deemed to be a Director by virtue of the explanation to sub-Section (1) of Section 303 of the Act, manager or Secretary of the Company shall within twenty days of his appointment to any of the above offices in any other body corporate, disclose to the Company the particulars relating to his office in the other body corporate which are required to be specified under sub-Section (1) of Section 303 of the Act.

- (2) **Disclosure by a Director of his holding of shares and debentures of the Company etc.**

Every Director and every person deemed to be a Director of the Company by virtue of sub-Section (1) of Section 303 of the Act shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of Section 307.

PROCEEDINGS OF THE BOARD

Meeting of Directors

Article 150 provides that the Directors may meet together as a Board for the dispatch of business, from time to time, and shall so meet at least once in every three months and at least four such meetings shall be held every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.

Notice of meetings

Article 151 provides that at least fourteen days notice of every meeting of the Board shall be given in writing to every Director for the time being in India and at his usual address in India to every other Director for the time being in India and at his usual address in India to every other Director provided however that notice of every meeting of the Board shall also be given to Directors resident outside India at their addresses outside India and to their alternates, if any, in India at their usual address in India. Such notice shall invariably be accompanied by the agenda setting out the business proposed to be transacted at the meeting of the Board provided that with the consent in writing of not less than three-fourths of all the Directors for the time being a meeting of the Board may be convened by a shorter notice in the case of urgency or in an emergency or if special circumstances shall so warrant.

Quorum

Article 152 provides that subject to Section 287 of the Act, the quorum for any meeting of the Board shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in one-third to be rounded up as one) or two Directors whichever is higher, of which at least one Director is nominee of BPC provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength of the Board, the remaining Directors that is to say, the number of Directors who are not interested, present at the meeting being not less than two and of which, subject to article 199, at least one Director is nominee of BPC, shall be the quorum during such time.

Adjournment of meeting for want of quorum

Article 153 provides that if a meeting of the Board could not be held for want of quorum, then the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place unless the Chairman of the Board fixes some other day, time and place for the said adjourned meeting (not being later than 15 days from the day on which the meeting is adjourned for want of quorum).

When meeting to be convened

Article 154 provides that the Secretary shall, as and when directed by the Chairman or Managing Director or by a Director or Directors to do so, convene a meeting of the Board by giving a notice in writing to every Director.

Chairman

Article 155 provides that:

- (1) the Board shall, appoint BPC nominee Director to be the Chairman of the Board. The Chairman shall be a non-retiring Director and shall not be in the whole-time employment of the Company. In case of a tie or equality of votes the Chairman shall not have a second or casting vote. So long as Chairman and Managing Director of BPCL is Member of the Board, he will be Chairman of the Board.
- (2) The Chairman of the Board shall be entitled to take the chair at every meeting of the Board. If at any meeting of the Board the Chairman shall not be present within thirty minutes of the time appointed for holding the same or if he is unable or unwilling to take the chair, then the Directors present may elect one out of the nominee Directors of BPC to Act as the Chairman of that meeting.

Directors may appoint committees

Article 156 provides that subject to the provisions of the Act and the restrictions contained in Section 292 of the Act and these articles, the Board may delegate, any of its powers to a committee or committees of the Board consisting of such Members of its body as it thinks fit, provided that subject to the provisions of article 199, committee(s) so appointed shall have at least one BPC nominee Director as their Member. The Board may from time to time revoke and discharge any such committee of the

Board either wholly or in part and either as to persons or purposes but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time-to-time be imposed on it by the Board. All acts done by any such committee(s) of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise shall have the like force and effect as if done by the Board. The decision or minutes of such committee shall be placed before the Board for information at the next meeting.

Meeting of committee how to be governed

Article 157 provides that the meeting and proceedings of any committee of the Board consisting of two or more Members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors in so far as the same are applicable thereto and are not superseded by any regulations made by the Board under article 156.

Powers of the Board

Article 158 provides that the Board shall have and may exercise all such powers of the Company and do all such acts, deeds and things as are not, by the Act or by the memorandum or by the articles of association of the Company, required to be exercised by the Company in General Meeting subject nevertheless to these articles, to the provisions of the Act or any other law for the time being in force and effect and subject to such regulations not being inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting, but no regulation made shall invalidate any prior Act of the Board which would have been valid if that regulation had not been made.

Resolution by circulation

Article 160 provides that subject to the provisions of Section 289 of the Act, no resolution shall be deemed to have been duly passed by the Board or committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers if any, to all the Directors or their alternates or to all Members of any committee of the Board, then in India (not being less in number than the quorum fixed for a meeting of the Board or its committee, as the case may be) and to all other Directors or Members of such committee at their usual address then in India, and has been approved by such of the Directors or Members of such committee as are then in India, or by a majority of such of them as are entitled to vote on the resolution.

Act of committee/Board not invalid notwithstanding infirmity in appointment

Article 161 provides that subject to the provisions of these articles, all acts done by any meeting of the Board or by a committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there is some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director and had not vacated his office or his appointment had not been terminated provided that nothing in this article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

Minutes of proceedings of meetings of Board

Article 162 provides that:

- (1) The Company shall cause minutes of all proceedings of every meeting of the Board and committees there to be kept by making within 30 (thirty) days of every such meeting entries thereof in books kept for the purpose with their pages consecutively numbered.
- (2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of every meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the succeeding meeting.

- (3) In no case will the minutes of proceedings of a meeting be attached to any such book as aforesaid by pasting or otherwise.
- (4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of meeting.
- (6) The minutes shall also contain:
 - (a) The names of the Directors present at the meeting, and
 - (b) In the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from or not concurring in the resolution.
- (7) Nothing contained in sub-articles (1) to (6) shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:
 - (a) Is or could reasonably be regarded as defamatory of any person,
 - (b) Is irrelevant or immaterial to the proceedings, or
 - (c) Is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-clause.
- (8) Minutes of meetings kept in accordance with aforesaid provision shall be evidence of proceedings recorded therein.

MANAGEMENT

Prohibition of simultaneous appointments of different categories of managerial personnel

Article 163 provides that the Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel as defined by the Act namely;

- (a) Managing Director and
- (b) Manager

Secretary

Article 164 provides that the Directors may from time to time and at their discretion appoint a Secretary to perform any functions, which by the Act, are to be performed by the secretary, and any other ministerial or administrative duties which may, from time to time, be assigned to the Secretary by the Directors. The Directors may also at any time appoint some persons (who need not be a secretary) to keep the registers required to be kept by the Company.

THE SEAL

The seal, its custody and use

Article 165 provides that:

- (1) The Board shall provide a common seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and the Board shall provide for the safe custody of the seal for the time being, and the seal shall never be used except by the authority of the Board or a committee of the Board previously given.

- (2) The Company shall also have liberty to have an official seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.

Deeds how executed

Article 166 provides that every deed or other instrument to which the seal of the Company is required to be affixed, shall, unless the same is executed by a duly constituted attorney, be signed by one Director and Secretary or some other person appointed by the Board for the purpose. Provided that in respect of the share certificate the seal shall be affixed in accordance with articles 21 and 22 and the Act.

DIVIDENDS

Divisions of profits

Article 167 provides that the profits of the Company, subject to any special rights relating thereto created or authorized to be created by these articles and subject to the provisions of these articles shall be divisible among the Members in the proportion to the amount of capital paid or credited as paid-up on the shares held by them respectively.

The Company in General Meeting may declare a dividend

Article 168 provides that the Company in Annual General Meeting may declare dividends to be paid to Members according to their respective rights, but no dividend shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

Subject to the rights of persons (if any) entitled to shares with special rights as to dividends hereof, all dividends shall be declared and paid according to the amount paid up on the shares. Calls paid in advance shall not for the purpose of this article be treated as amount paid up on the shares.

Dividends only to be paid out of profits

Article 169 provides that no dividend shall be declared or paid otherwise than in accordance with the provisions of Section 205 of the Act.

Interim dividend

Article 170 provides that the Board may from time to time, pay to the Members such interim dividend as in their judgment the financial position of the Company justifies.

Capital paid-up in advance to interest but not to earn dividend

Article 171 provides that where capital is paid in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.

Dividends in proportion to amount paid-up

Article 172 provides that subject to the provisions of Section 205 of the Act all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on term that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

Retention of dividends until completion of transfer under article 65

Article 173 provides that subject to the provisions of the Act, the Board may retain the dividends payable upon shares in respect of which any person is, under article 65 entitled to become a Member, or which any person under the article is entitled to transfer, until such shall become a Member in respect of such shares or shall duly transfer the same.

Dividends etc. to joint holders

Article 174 provides that any one of several persons who are registered as the joint-holders of any share may given effectual receipts for all dividends or bonuses or other moneys payable in respect of such share.

No Member to receive dividend whilst indebted to the Company and Company's right of reimbursement there out

Article 175 provides that no Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise however, either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company.

Transfer of shares must be registered

Article 176 provides that a transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

Dividends how remitted

Article 177 provides that subject to Section 205 of the Act, unless otherwise directed any dividend may be paid by cheque or warrant or by a pay slip or receipt having the force of a cheque or warrant sent through the post to the registered address of the Member or persons entitled or in case of joint-holders to that one of them first named in the Register in respect of the joint holdings. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any dividend lost to the Member or person entitled thereto by the forged endorsement of a cheque or warrant or the forged signature of any pay slip or receipt or the fraudulent recovery of the dividends by any other means.

Unpaid or unclaimed dividend

Article 178 provides that:

- (a) Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Bharat Oman refineries limited unpaid dividend account" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund known as the investor education and protection fund established under Section 205c of the Act.

- (b) That there shall be no forfeiture of unclaimed or unpaid dividends before the claim becomes barred by law and the Company shall comply with all the provisions of Section 205 of the Act in respect of unpaid or unclaimed dividend.

Dividend and calls made together

Article 179 provides that any General Meeting declaring a dividend may on the recommendation of the Board make a call on the Members of such amount as the meeting fixes, but so that the call on each Member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend may, if so arranged between the Company and the Member, be set off against the calls.

Capitalization

Article 180 provides that:

- (1) The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the reserve fund, or any capital redemption reserve accounts, or in the hands of the Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the share premium account) be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund to be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued share and that such distribution or payment shall be accepted by such shareholder in full satisfaction of their interest in the said capitalized sum provided that a share premium account and a capital redemption reserve account may, for the purpose of this article, only be applied in the paying of any unissued share to be issued to Members of the Company as fully paid bonus shares.
- (2) A General Meeting may resolve that any surplus money arising from the realization of any capital assets of the Company or any investment representing the same or any other undistributed profits of the Company not subject to charges for income-tax be distributed among the Members on the footing that they receive the same as capital.
- (3) For the purpose of giving affect to any resolution under the preceding paragraphs of this article, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may determine that such cash payments shall be made to any Members upon the footing that fraction of value less than Rs.10/- (ten rupees) may be disregarded in order to adjust the rights of all parties, and may vest any such cash in trustees upon such trusts for the persons entitled to the dividend or capitalized fund as may seem expedient to the Board. Where requisite a proper contract shall be delivered to the registrar for registration in accordance with Section 75 of the Act and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund, and such appointment shall be effective.

WINDING UP

Liquidator may divide assets in specie

Article 196 provides that the liquidators on any winding up (whether voluntary, under supervision or compulsory) may, with the sanction of Special Resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie any parts of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction shall think fit.

INDEMNITY AND RESPONSIBILITY

Directors' and others right of indemnity

Article 197 provides that subject to the provisions of Section 201 of the Act, every Director, officer or agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is granted to him by the court or in connection with any guarantee or obligation or contract entered for the benefit or the business of the Company.

GENERAL

Change of name

Article 199 provides that:

(1) In the event of :

- (a) A Company other than an Affiliate of OOC or BPC shall acquire 20% (twenty percent) or more of the paid up capital or assets of the Company; or
- (b) An order for winding up of the Company is made; or
- (c) A receiver being appointed for the whole or any significant part of the assets or undertaking of the Company; or
- (d) The Company making any composition with its creditors; or
- (e) The Company, its capital or assets or any part thereof or its management is taken over by any government or any Financial Institution lending funds to the Company; or
- (f) The Company registers or attempts to Register the name “OOC” or “Oman” either in full or by abbreviation as a trademark in any country and in respect of any goods, products or services,

The Company shall forthwith at the option of OOC notwithstanding anything to the contrary contained herein, take steps and shall not later than twelve months from the date of exercise of option by OOC pursuant hereto delete the expression “OMAN” from its corporate name and shall not thereafter use the same or any name in appearance or sound similar to “OMAN” or “OOC” either in full or by abbreviation in any manner whatsoever.

(2) In the event of :

- a. BPC ceasing to hold at least 15% (fifteen percent) of the issued equity share capital of the Company; or
- b. A Company other than an affiliate of OOC or BPC shall acquire 20% (twenty percent) or more of the paid-up capital or assets of the Company; or
- c. An order for winding up of the Company is made; or
- d. A receiver being appointed for the whole or any significant part of the assets or undertaking of the Company; or
- e. The Company making any composition with its creditors; or
- f. The Company, its capital or assets or any part thereof or its management is taken over by any government or any Financial Institution lending funds to the Company; or
- g. The Company registers or attempts to Register the name “BPC” either in full or by abbreviation, including the expression “Bharat Petroleum” as a trademark in any country and in respect of any goods, products or services,

The Company shall forthwith at the option of BPC notwithstanding anything to the contrary contained herein, take steps and shall not later than twelve months from the date of exercise of option by BPC pursuant hereto delete the expression “Bharat” from its corporate name and shall not thereafter use the same or any name in appearance or sound similar to “BPC” or “Bharat Petroleum” either in full or by abbreviation in any manner whatsoever.

OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus, delivered to the Registrar of Companies for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 11.00 a.m. to 5.00 p.m. on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts

- a) Joint Venture Agreement dated December 23, 1993 between BPCL and OOCL.
- b) Supplemental Agreement dated September 9, 2004 between BPCL and OOCL.
- c) Second Supplemental Agreement dated January 15, 2008 between BPCL and OOCL.
- d) Transfer Agreement dated February 2, 2008 between BPCL, OOCL and Oman SAOC.
- e) Memorandum of Understanding dated May 6, 2005 between our Company and the GoMP.
- f) Supplemental Memorandum of Understanding dated December 6, 2007 between our Company and GoMP.
- g) Off-take Agreement dated March 21, 2007 between our Company and BPCL.
- h) Crude Sourcing and Services Agreement dated December 10, 2007 between our Company and BPCL.
- i) Project management and consultancy services agreement dated March 8, 2006 between our Company and Engineers India Limited.
- j) Memorandum of understanding with respect to the Crude Oil Pipeline dated November 29, 2007 between our Company and BPCL.
- k) Engagement letter for appointment of each of SBI Caps, Citi, Enam, I-Sec, JM Financial and Kotak as a BRLM, each dated November 20, 2007.
- l) Memorandum of Understanding dated March 26, 2008 among our Company and the BRLMs.
- m) Memorandum of Understanding dated January 30, 2008 executed by our Company with the Registrar to the Issue.
- n) Escrow Agreement dated [●] among our Company, the BRLMs, the Escrow Collection Banks, and the Registrar to the Issue.
- o) Syndicate Agreement dated [●] among our Company, the BRLMs and Syndicate Members.
- p) Underwriting Agreement dated [●] among our Company and the Underwriters.
- q) Report of the IPO Grading Agency, CRISIL Limited, furnishing the rationale for its grading, disclosed in the Red Herring Prospectus.

Material Documents

- a) Our Memorandum and Articles of Association as amended, and our certificate of incorporation.
- b) Resolution of the Board of Directors passed at its meeting held on January 18, 2008, authorising the Issue.
- c) Resolution of our shareholders passed at an EGM of our Company held on January 23, 2008 authorising the Issue.
- d) Resolutions of the shareholders for appointment and remuneration of our Directors.
- e) Letter dated September 28, 2005 fixing the remuneration of Mr. R. P. Singh.
- f) Report of the Auditors, M/s Price Waterhouse Chartered Accountants, prepared in accordance with Indian GAAP and included and mentioned in this Draft Red Herring Prospectus and letters from the Auditors dated January 23, 2008.
- g) Report of the Auditors, M/s Price Waterhouse Chartered Accountants, prepared in accordance with the Companies Act, 1956 and restated as per the SEBI Guidelines and included and mentioned in this Draft Red Herring Prospectus and letters from the Auditors dated January 23, 2008.
- h) Rupee Loan Facility Agreement and the Common Agreement, each dated June 23, 2006

- between our Company and a consortium of lenders, including BPCL as subordinate lender.
- i) Copies of annual reports of our Company for the past five Financial Years.
 - j) Consents of the Auditors, the Bankers to the Company, the BRLMs, the Registrar to the Issue, the Banker(s) to the Issue, Legal Advisors to the Company and the Underwriters, the Monitoring Agency, the Escrow Collection Banks, the Directors of our Company and the Company Secretary and Compliance Officer of our Company, as referred to, in their respective capacities. Consent of CRISIL, a SEBI registered credit rating agency, for inclusion of its grading report in respect of the Issue in the Red Herring Prospectus.
 - k) Consent from SBI Capital Markets Limited for use of its name in connection with the Project Appraisal Report.
 - l) Statement of Tax Benefits from M/s Price Waterhouse Chartered Accountants dated march 27, 2008 – Auditor’s Report on possible income-tax benefits available to the Company and its shareholders.
 - m) Initial listing applications, each dated March 28, 2008, filed with the BSE and the NSE respectively;
 - n) In-principle listing approvals dated [●] and [●] from NSE and BSE, respectively.
 - o) Agreement among NSDL, our Company and the Registrar to the Issue dated [●].
 - p) Agreement among CDSL, our Company and the Registrar to the Issue dated [●].
 - q) Due diligence certificate dated March 28, 2008, [●], [●] and [●] issued to SEBI by the BRLMs.
 - r) SEBI observation letter no. [●] dated [●].

DECLARATION

All the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government of India or the guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines issued thereunder, as the case may be and all approvals and permissions required to carry out the business of our Company have been obtained, are currently valid and have been complied with. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

Signed by the Managing Director, the Directors and the Senior Vice President (Finance and Administration)

Mr. Ashok Sinha Sd/-
Chairman

Mr. Ramesh Prasad Singh Sd/-
Managing Director

Mr. Sudhir K. Joshi Sd/-

Mr. Raj Kishore Singh Sd/-

Mr. Chandan Kumar Sengupta Sd/-

Mr. Venugopal Venkatesh Sd/-

Mr. A.H. Kalro Sd/-

Mr. A.K. Mathur Sd/-

Mr. U. Sundararajan Sd/-

Mr. R. Kannan Sd/-

Mr. S.N. Mathur (Senior Vice President (Finance and Administration) and Company Secretary) Sd/-

Mumbai
Dated: March 27, 2008