DRAFT RED HERRING PROSPECTUS
Dated December 29, 2009
Please read section 60B of the Companies Act, 1956
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Issue

JINDAL POWER LIMITED

Our Company was incorporated as "Jindal Power Limited" on January 30, 1995 in Gwalior, Madhya Pradesh, under the Companies Act, 1956, as amended (the "**Companies Act**") with the Registrar of Companies, Madhya Pradesh and Chhattisgarh, Gwalior.

Registered Office: Jindal Power Limited, Tamnar 496 107, District Raigarh, Chhattisgarh, India; **Tel.:** + (91 7767) 302 000; **Fax:** + (91 7767) 281 995;
Corporate Office: Jindal Power Limited, Jindal Centre, 12, Bhikaiji Cama Place, New Delhi 110 066 India; **Website:** www.jindalpower.com;
Deputy Company Secretary and Compliance Officer: Mr. Dhiraj Kumar Maggo; **E-mail**: dhiraj.maggo@jindalpower.com
For details of changes in the registered office of our Company, see "*History and Certain Corporate Matters*" on page 130.

THE PROMOTERS OF OUR COMPANY ARE JINDAL STEEL & POWER LIMITED, GAGAN INFRAENERGY LIMITED AND OPELINA FINANCE AND INVESTMENT LIMITED.

PUBLIC ISSUE OF [●] EQUITY SHARES OF RS. 10 EACH ("EQUITY SHARE") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE OF JINDAL POWER LIMITED (THE "COMPANY") AGGREGATING RS. 72,000 MILLION (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE ISSUE COMPRISES A NET ISSUE TO THE PUBLIC OF UP TO [●] EQUITY SHARES ("THE NET ISSUE") AND A RESERVATION OF UP TO [●] EQUITY SHARES FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREIN) ("THE EMPLOYEE RESERVATION PORTION"). THE ISSUE WOULD CONSTITUTE [●]% OF THE POST ISSUE PAID-UP EQUITY CAPITAL OF OUR COMPANY. THE NET ISSUE WOULD CONSTITUTE [●]% OF THE POST ISSUE PAID-UP EQUITY CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARE IS RS. 10 EACH. THE PRICE BAND, THE EMPLOYEE DISCOUNT AND THE MINIMUM BID LOT WILL BE DECIDED BY THE COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND THE CO-BOOK RUNNING LEAD MANAGER AND ADVERTISED IN [●] EDITION OF [●] AND [●] EDITION OF [●] AT LEAST TWO (2) WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE.#

 # Discount of Rs. [●] to the Issue Price determined pursuant to completion of the Book Building Process has been offered to Eligible Employees (the "Employee Discount")

In case of revision in the Price Band, the Bidding Period will be extended for three additional Working Days after the 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 Bombay Stock Exchange Limited (the "**BSE**") and the National Stock Exchange of India Limited (the "**NSE**"), by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Managers ("**BRLMs**") and the Co-Book Running Lead Manager ("**CBRLM**") and at the terminals of the members of the Syndicate.

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the "**SCRR**") read with Regulation 41(1)(a) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "**SEBI Regulations**"), this being an Issue for less than 25% of the post Issue paid-up equity capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**"), ("**QIB Portion**"). Provided that our Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis, out of which at least one-third will be available for allocation to domestic mutual funds only ("**Anchor Investor Portion**"). For details, see ***"Issue Procedure"*** on page 276. Further 5% of the QIB Portion (excluding Anchor Investor Portion) 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. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. In addition, not less than 10% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% 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.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs. 10 per Equity Share and the Issue Price is [●] times the face value. The Issue Price (has been determined and justified by the BRLMs, the CBRLM and the Company as stated in "***Basis for Issue Price***" on page 48) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company nor 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 "***Risk Factors***" on page xiii.

IPO GRADING

This Issue has been graded by [●] as [●], indicating [●]. The IPO Grading is assigned on a five point scale from 1 to 5, with IPO Grade 5/5 indicating strong fundamentals and IPO Grade 1/5 indicating poor fundamentals. For details, see "***General Information"*** and ***"Annexure I"*** on pages 14 and [●], respectively.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in 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 make 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

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

BOOK RUNNING LEAD MANAGERS

JM FINANCIAL	ENAM	Deutsche Bank Group	Goldman Sachs
JM FINANCIAL CONSULTANTS PRIVATE LIMITED 141, Maker Chambers III, Nariman Point Mumbai 400 021, India Tel: + (91 22) 6630 3030 Fax: + (91 22) 2204 7185 E-mail: jpl.ipo@jmfinancial.in Investor Grievance E-mail: grievance.ibd@jmfinancial.in Website: www.jmfinancial.in Contact Person: Ms. Naazneen F. Yazdani SEBI Registration No.: INM000010361	**ENAM SECURITIES PRIVATE LIMITED** 801, Dalamal Towers, Nariman Point Mumbai 400 021, India Tel: + (91 22) 6638 1800 Fax: + (91 22) 2284 6824 E-mail: jindalpower@enam.com Investor Grievance E-mail: complaints@enam.com Website: www.enam.com Contact Person: Mr. Ashish Kumbhat SEBI Registration No.: INM000006856	**DEUTSCHE EQUITIES INDIA PRIVATE LIMITED** DB House, Hazarimal Somani Marg, Fort, Mumbai 400 001, India Tel: + (91 22) 6658 4600 Fax: +(91 22) 2200 6765 Email : jpl.ipo@db.com Investor Grievance E-mail: db.redressal@db.com Website: www.db.com/India Contact Person: Mr. Vivek Pabari SEBI Registration Number: INM000010833	**GOLDMAN SACHS (INDIA) SECURITIES PRIVATE LIMITED** Rational House, 951-A, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025, India Tel: + (91 22) 6616 9000 Fax: + (91 22) 6616 9090 E-mail: jpl_issue@gs.com Investor Grievance E-mail: india-client-support@gs.com Website: www2.goldmansachs.com /worldwide/india/indian_offerings.html Contact Person: Ms. Pranita Gramopadhye SEBI Registration No.: INM000011054

BOOK RUNNING LEAD MANAGERS			CO-BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
ICICI Securities	SBI Capital Markets Limited	UBS	Motilal Oswal	[●]
ICICI SECURITIES LIMITED ICICI Centre, H. T. Parekh Marg Churchgate Mumbai 400 020, India Tel: +(91 22) 2288 2460 Fax: +(91 22) 2282 6580 E-mail : jpl.ipo@icicisecurities.com Investor Grievance E-mail: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Mr. Mayank Lunawat SEBI Registration Number: INM000011179	**SBI CAPITAL MARKETS LIMITED** 202, Maker Towers 'E', Cuffe Parade Mumbai 400 005, India Tel: +(91 22) 2217 8300 Fax: +(91 22) 2218 8332 E-mail: jpl.ipo@sbicaps.com Investor Grievance E-mail: investor.relations@sbicaps.com Website: www.sbicaps.com Contact Person: Mr. Apurva Kumar SEBI Registration No.: INM000003531	**UBS SECURITIES INDIA PRIVATE LIMITED** 2/F, 2 North Avenue, Maker Maxity Bandra Kurla Complex, Bandra (E) Mumbai 400 051, India Tel: + (91 22) 6155 6000 Fax: + (91 22) 6155 6300 Email: customercare@ubs.com Investor Grievance E-mail: customercare@ubs.com Contact Person: Ankit Sharma Website: www.ubs.com/indianoffers SEBI Registration Number: INM000010809	**MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED** 113/114, Bajaj Bhawan 11th Floor, Nariman Point Mumbai 400 021, India Tel: +(91 22) 3980 4380 Fax: +(91 22) 3980 4315 Email: jpl.ipo@motilaloswal.com Investor Grievance E-mail: moiaplredressal@motilaloswal.com Website: www.motilaloswal.com Contact Person: Mr. Paresh Raja SEBI Registration No: INM000011005	[●] Tel: [●] Fax: [●] E-mail: [●] Investor Grievance E-mail: [●] Website: [●] Contact Person: [●] SEBI Registration No.: [●]

BID /ISSUE PROGRAM*

BID/ISSUE OPENS ON : [●]	BID/ISSUE CLOSES ON : [●]

** Anchor Investors, if any, shall submit their Bid on the Anchor Investor Bidding Date, which is one working day prior to the Bid/Issue Opening Date.*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Draft Red Herring Prospectus, and references to any statute or regulations or policies shall include any amendments or re-enactments thereto, from time to time:

Company Related Terms

Term	Description
"Jindal", "the Company", "our Company" and "the Issuer"	Jindal Power Limited, a public limited company incorporated under the Companies Act with its registered office at Tamnar 496 107, District Raigarh, Chhattisgarh, India on an unconsolidated basis
"We", "us" and "our"	Jindal Power Limited and its Subsidiaries (as defined hereinbelow) on a consolidated basis
Angul Project	1,320 MW power project located in Angul, Odisha which is under planning
AoA/Articles of Association	The Articles of Association of our Company, as amended
Attunli Project	500 MW hydroelectric power project located in Attunli, Arunachal Pradesh which is under implementation
Audit Committee	The committee of the Board of Directors constituted as the Company's Audit Committee in accordance with Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges
Auditors	The statutory auditors of our Company, Lodha & Co., Chartered Accountants
Board of Directors/Board	Board of Directors of our Company duly constituted or a committee thereof
Corporate Office	The corporate office of our Company located at Jindal Centre, 12 Bhikaiji Cama Place, New Delhi 110 066, India
Directors	Directors on the Board of our Company
Dumka Project	1,320 MW coal based power project located in Dumka, Jharkhand which is under implementation
Etalin Project	4,000 MW hydroelectric power project located in Etalin, Arunachal Pradesh which is under implementation
Gagan Infraenergy	Gagan Infraenergy Limited (formerly Gagan Sponge Iron Limited), one of our Promoters
Godda Project	660 MW coal based power project located in Godda, Jharkhand which is under implementation
Group Companies	Includes those companies, firms and ventures disclosed in "***Our Promoters and Group Companies***" on page 155, promoted by our Promoters, irrespective of whether such entities are covered under section 370(1)(B) of the Companies Act
MoA/Memorandum of Association	The Memorandum of Association of our Company, as amended
Nepal Project	220 MW hydroelectric proposed power project in Chainpur Seti, Nepal which is under planning
Opelina	Opelina Finance And Investment Limited, one of our Promoters
Promoters	Jindal Steel & Power Limited, Gagan Infraenergy Limited (formerly Gagan Sponge Iron Limited) and Opelina Finance And Investment Limited
Promoter Group	Includes such persons and entities constituting our promoter group pursuant to Regulation 2(1)(zb) of the SEBI Regulations
Registered Office	The registered office of our Company located at Tamnar 496 107, District Raigarh, Chhattisgarh, India
Shareholders'/Investors' Grievance Committee	The Committee of Directors constituted as the Company's Shareholders' Grievance Committee in accordance with Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges
Subansiri Middle Project	1,600 MW hydroelectric power project located in Subansiri Middle, Arunachal Pradesh which is under implementation
Subsidiaries	Subsidiaries of our Company as referred to in "***History and Certain Corporate Matters***" on page 130
Tamnar I Project	1,000 MW coal based fully-operational power plant located in Tamnar, Raigarh, Chhattisgarh
Tamnar II Project	2,400 MW coal based power project located in Tamnar, Raigarh, Chhattisgarh which is under implementation
2,640 MW Jharkhand Project	2,640 MW power project located in Jharkhand which is under planning

Issue Related Terms

Term	Description
Allotment/Allotted/Allot	Unless, the context otherwise requires, the issue and allotment of Equity Shares pursuant to this Issue
Allottee	A successful Bidder to whom Equity Shares are Allotted
ASBA Bid cum Application Form	The application form, whether physical or electronic, used by an ASBA Bidder to make a Bid, which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
ASBA Bidder	Any Resident Retail Individual Bidder who intends to apply through ASBA and (i) is bidding at Cut-off Price, with a single option as to the number of Equity Shares; (ii) is applying through blocking of funds in a bank account with the SCSB; (iii) has agreed not to revise his/her Bid; and (iv) is not bidding under any of the reserved categories
Application Supported by Blocked Amount/ASBA	The application, whether physical or electronic, used by a Resident Retail Individual Bidder to make a Bid authorizing the SCSB to block the Bid Amount in his/her specified bank account maintained with the SCSB
Anchor Investor	A Qualified Institutional Buyer, who applies under the Anchor Investor Portion with a minimum Bid of Rs. 100 million
Anchor Investor Bid	An indication by an Anchor Investor to make an offer to subscribe for Equity Shares pursuant to the terms of the Red Herring Prospectus
Anchor Investor Bidding Date	The date which is one working day prior to the Bid/Issue Opening Date, prior to or after which the Syndicate will not accept any Bids from the Anchor Investors
Anchor Investor Issue Price	The final price at which Equity Shares will be issued and Allotted in terms of the Red Herring Prospectus and the Prospectus to the Anchor Investors, which will be a price equal to or higher than the Issue Price but not higher than the Cap Price.
Anchor Investor Margin Amount	An amount representing at least 25% of the Bid Amount payable by Anchor Investors at the time of submission of their Bid
Anchor Investor Portion	Up to 30% of the QIB Portion, which may be allocated to Anchor Investors by our Company in consultation with the BRLMs, on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Anchor Investor Bids being received from domestic Mutual Funds at or above the price at which allocation will be made to Anchor Investors
Book Running Lead Managers/BRLMs	JM Financial Consultants Private Limited, Enam Securities Private Limited, Deutsche Equities India Private Limited, Goldman Sachs (India) Securities Private Limited, ICICI Securities Limited, SBI Capital Markets Limited and UBS Securities India Private Limited.
Banker(s) to the Issue/Escrow Collection Bank(s)	The bank(s) which is/are clearing member and registered with SEBI as Bankers to the Issue with whom the Escrow Account will be opened, in this case being [●]
Bid	An indication to make an offer during the Bidding Period by a Bidder, or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of a Bid cum Application Form to subscribe to our Equity Shares at a price within the Price Band, including all revisions and modifications thereto For the purposes of ASBA Bidders, it means an indication to make an offer during the Bidding Period by a Retail Resident Individual Bidder pursuant to the submission of an ASBA Bid cum Application Form to subscribe to the Equity Shares at Cut-off Price
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by a Bidder on submission of a Bid in the Issue and in the case of ASBA Bidders, the amount mentioned in the ASBA Form
Bid /Issue Closing Date	Except in relation to Anchor Investors, the date after which the Syndicate and SCSBs will not accept any Bids, which shall be notified in an English national newspaper and a Hindi national newspaper (which is also the regional newspaper), each with wide circulation
Bid /Issue Opening Date	Except in relation to Anchor Investors, the date on which the Syndicate and SCSBs shall start accepting Bids, which shall be notified in an English national newspaper and a Hindi national newspaper (which is also the regional newspaper), each with wide circulation
Bid cum Application Form	The form in terms of which the Bidder shall make an offer to purchase Equity Shares and which shall be considered as the application for issue of Equity Shares pursuant to the terms of the Red Herring Prospectus and the Prospectus including the ASBA Bid cum Application as may be applicable
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form, including an ASBA Bidder and an Anchor Investor
Bidding Period	The period between the Bid/Issue Opening Date and the Bid Closing Date, inclusive of both days during which prospective Bidders (excluding Anchor Investors) can submit

Term	Description
	their Bids, including any revisions thereof
Book Building Process	Book building process as provided in Schedule XI of the SEBI Regulations, in terms of which this Issue is being made
Confirmation of Allocation Note/CAN	The note or advice or intimation of allocation of Equity Shares sent to the successful Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process, including any revisions thereof In relation to Anchor Investors, the note or advice or intimation of allocation of Equity Shares sent to the successful Anchor Investors who have been allocated Equity Shares after discovery of the Anchor Investor Issue Price, including any revisions thereof
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted, including any revisions thereof
Co-Book Running Lead Manager/CBRLM	Motilal Oswal Investment Advisors Private Limited
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate Bids in the Issue by ASBA Bidders with the BRLMs, the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in
Cut-off Price	The Issue Price (net of Employee Discount, as applicable), finalized by our Company in consultation with the BRLMs and the CBRLM which shall be any price within the Price Band. Only Retail Individual Bidders and Eligible Employees, whose Bid Amount does not exceed Rs. 100,000 (net of Employee Discount) are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Depositories	NSDL and CDSL
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form used by ASBA Bidders and a list of which is available on http://www.sebi.gov.in
Designated Date	The date on which funds are transferred from the Escrow Account(s) to the Public Issue Account and the amount blocked by the SCSBs are transferred from the bank account of the ASBA Bidders to the Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to the Allottees
Designated Stock Exchange	[●]
Deutsche	Deutsche Equities India Private Limited
Draft Red Herring Prospectus/DRHP	This Draft Red Herring Prospectus dated December 29, 2009 filed with SEBI and issued in accordance with Section 60B of the Companies Act, which does not contain complete particulars on the price at which the Equity Shares are offered
Eligible NRI	An Non Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares
Eligible Employees	All or any of the following: (i) A permanent and full-time employee of our Company and based, working and present in India as on the date of Red Herring Prospectus and who continues to be based, working and present in India and in employment of our Company until submission of the Bid cum Application Form; (ii) a Director of our Company, whether a whole time Director or a part time Director, as on the date of the Red Herring Prospectus and based, present and working in India as on date of submission of the Bid cum Application Form and who continues to be in employment of our Company until submission of the Bid cum Application Form. It does not include the Promoters. Eligible employees will be allotted Equity Shares for an aggregate amount less than or equal to Rs. 100,000.
Employee Discount	The difference of Rs. [•] between the Issue Price and the differential lower price at which our Company has decided to allot the Equity Shares to Eligible Employees
Employee Reservation Portion	The portion of the Issue, being [●] Equity Shares, available for allocation to Eligible Employees. The employee reservation portion shall not exceed 5% of the post-Issue capital of the Company.
Enam	Enam Securities Private Limited
Equity Shares	Equity Shares of our Company of Rs. 10 each
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidders (excluding ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount
Escrow Agreement	Agreement to be entered into among our Company, the Registrar, the BRLMs, the CBRLM, the Syndicate Member and the Escrow Collection Bank(s) for collection of

Term	Description
	the Bid Amounts and remitting refunds, if any, of the amounts to the Bidders (excluding ASBA Bidders) on the terms and conditions thereof
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form or the ASBA Bid cum Application Form
Floor Price	The lower end of the Price Band and any revisions thereof below which the which the Issue Price will not be finalized and below which no Bids will be accepted and which shall not be lesser than the face value of our Equity Shares
Goldman Sachs	Goldman Sachs (India) Securities Private Limited
Issue	This public issue of [●] Equity Shares of Rs. 10 each at the Issue Price by our Company. The Issue comprises a Net Issue to the public of [●] Equity Shares and an Employee Reservation Portion of [●] Equity Shares for subscription by Eligible Employees.
Issue Agreement	The agreement entered into amongst our Company and the BRLMs pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	The final price at which Equity Shares will be issued and Allotted to the successful Bidders, which may be equal to or lower than the Anchor Investor Issue Price, in terms of the Red Herring Prospectus and the Prospectus. The Issue Price will be decided by our Company in consultation with the BRLMs and the CBRLM on the Pricing Date
I-Sec	ICICI Securities Limited
JM Financial	JM Financial Consultants Private Limited
Margin Amount	Except in relation to the Anchor Investor Margin Amount, the amount paid by the Bidder at the time of submission of the Bid, being 10% to 100% of the Bid Amount
Monitoring Agency	[●]
Motilal Oswal	Motilal Oswal Investment Advisors Private Limited
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) equal to a minimum of [●] Equity Shares available for allocation to Mutual Funds only on a proportionate basis
Net Issue	Issue less the Employee Reservation Portion, consisting of [●] Equity Shares to be Allotted in the Issue at the Issue Price less the Employee Discount
Net Proceeds	Proceeds of the Issue that are available to our Company, excluding the Issue related expenses
Non Institutional Bidders	All Bidders, including sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals, that are not QIBs (including Anchor Investors) or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000
Non Institutional Portion	The portion of the Net Issue being not less than [●] Equity Shares available for allocation to Non Institutional Bidders
Pay-in Date	Except with respect to ASBA Bidders, the Bid/Issue Closing Date or the last date specified in the CAN sent to Bidders, as applicable and which shall with respect to the Anchor Investors, be a date not later than two days after the Bid/Issue Closing Date
Pay-in-Period	Except with respect to ASBA Bidders, those 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 With respect to Bidders, except Anchor Investors, whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the last date specified in the CAN. With respect to Anchor Investors, the Anchor Investor Bidding Date and the last specified in the CAN which shall not be later than two days after the Bid/Issue Closing Date
Price Band	Price band of a minimum Floor Price of Rs. [●] and a maximum Cap Price of Rs. [●] including revisions thereof. The Price Band and the minimum Bid lot size for the Issue will be decided by the Company in consultation with the BRLMs and advertised in two newspapers (one in English and one in Hindi, which is also the regional newspaper) at least two working days prior to the Bid/Issue Opening Date
Pricing Date	The date on which our Company in consultation with the BRLMs and the CBRLM will finalize the Issue Price
Prospectus	The Prospectus to be filed with the RoC in terms of Section 60 of the Companies Act, containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information and including any corrigendum thereof
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account on the Designated Date

Term	Description
QIB Margin Amount	An amount representing at least 10% of the Bid Amount payable by QIBs (other than Anchor Investors) at the time of submission of their Bid
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India and insurance funds set up and managed by army, navy or air force of the Union of India
QIB Portion	The portion of the Net Issue being a minimum [●] Equity Shares to be Allotted to QIBs, including the Anchor Investor Portion
Refund Account(s)	Account(s) opened with Escrow Collection Bank(s) from which refunds of the whole or part of the Bid Amount (excluding to the ASBA Bidders), if any, shall be made
Refund Bank(s)	The bank(s) which is a/ are clearing members and registered with the SEBI as Bankers to the Issue, at which the Refund Accounts will be opened, in this case being [●]
Registrar/ Registrar to the Issue	Registrar to the Issue, in this case being [●]
Resident Retail Individual Bidder	Retail Individual Bidder who is a person resident in India as defined in the Foreign Exchange Management Act, 1999 and who has Bid for Equity Shares for an aggregate amount not more than Rs. 100,000 in all of the bidding options in the Issue, and excluding Bidders under the Employee Reservation Portion
Retail Individual Bidder(s)	Individual Bidders (including HUFs and NRIs) who have Bid for Equity Shares for an aggregate amount less than or equal to Rs. 100,000 in all of the bidding options in the Issue
Retail Portion	The portion of the Net Issue being up to [●] Equity Shares available for allocation to Retail Bidder(s)
Revision Form	The form used by the Bidders (excluding ASBA Bidders) to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
Red Herring Prospectus/RHP	The Red Herring Prospectus which will be issued in accordance with Section 60B of the Companies Act, which will not have complete particulars of the price at which the Equity Shares shall be issued and which shall be filed with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus after filing with the RoC after the Pricing Date
RoC	Registrar of Companies, Madhya Pradesh, Gwalior (now Registrar of Companies, Madhya Pradesh and Chhattisgarh at Gwalior)
SBI Caps	SBI Capital Markets Limited
Self Certified Syndicate Bank/ SCSB	The banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offer services of ASBA, including blocking of bank account, a list of which is available on http://www.sebi.gov.in
Stock Exchanges	The BSE and the NSE
Syndicate	The BRLMs, the CBRLM and the Syndicate Member
Syndicate Agreement	Agreement among the Syndicate, our Company in relation to the collection of Bids (excluding Bids from the ASBA Bidders) in this Issue
Syndicate Member	[●]
TRS/ Transaction Registration Slip	The slip or document issued only on demand by the Syndicate or the SCSB to the Bidder as proof of registration of the Bid
UBS	UBS Securities India Private Limited
Underwriters	The BRLMs, the CBRLM and the Syndicate Members
Underwriting Agreement	The Agreement between the Underwriters and our Company to be entered into, on or after the Pricing Date
Working Day(s)	Any day other than a Saturday or Sunday and a public holiday on which commercial banks in Delhi and/or Mumbai, India are open for business

Technical/Industry Related Terms

Term	Description
AAD	Advance Against Depreciation
ABT	Availability Based Tariff

Term	Description
AFC	Annual Fixed Charges
CEA	Central Electricity Authority
CECB	Chhattisgarh Environment Conservation Board
CER	Certified Emission Reduction
CERC	Central Electricity Regulatory Commission
CPP	Captive Power Plant
CPSU	Central Public Sector Undertaking
Electricity Supply Act	Electricity (Supply) Act, 1948
EMP	Environment Management Plan
EOT	Electric Overhead Travelling
EPA	Environment (Protection) Act, 1986
ERC	Electricity Regulatory Commission
ERC Act	Electricity Regulatory Commission Act, 1998
ERP	Enterprise Resource Planning
GIS	Geographic Information System
GW	Giga Watt
HR	Human resources
IPP	Independent Power Producer
KW	Kilo Watt
KWh	Kilo Watt Hour
Land Acquisition Act	Land Acquisition Act, 1894
LC	Letter of credit
LoI	Letter of Intent
MoU	Memorandum of Understanding
MU	Million Units
MW	Mega Watt
NPV	Net present value
PLF	Plant Load Factor
PPA	Power Purchase Agreement
RES	Renewal Energy Sources, which includes small hydro, wind and biomass
SEB(s)	State Electricity Board(s) and their successor(s), if any, including those formed pursuant to restructuring/unbundling
SERC	State Electricity Regulatory Commission
STU	State Transmission Utility
TEC	Techno Economic Clearance
TEA	Techno Economic Appraisal
Unit	1 KWh, i.e. the energy contained in a current of one thousand amperes flowing under an electromotive force of one volt during one hour

Conventional / General Terms

Term	Description
Air Act	Air (Prevention and Control of Pollution) Act, 1981
Companies Act	Companies Act, 1956
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DP/ Depository Participant	Depository participant as defined under the Depositories Act, 1996
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FII(s)	Foreign Institutional Investors (as defined under FEMA (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000), registered with SEBI under applicable laws in India
Financial Year / Fiscal	Period of 12 months ended March 31 of that particular year
FVCIs	Foreign Venture Capital Investors (as defined under the SEBI (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
Indian GAAP	Generally Accepted Accounting Principles in India
I.T. Act	Income Tax Act, 1961
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996

Term	Description
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 Foreign Security by a Person resident outside India) Regulations, 2000
RBI Act	Reserve Bank of India Act, 1934
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act 1992
SEBI Regulations/guidelines	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Takeover Code	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997
Water Act	Water (Prevention and Control of Pollution) Act, 1974

Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AS	Accounting Standards issued by the ICAI
AY	Assessment Year
BSE	Bombay Stock Exchange Limited
BTG	Boiler, Turbine and Generator
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CSEB	Chhattisgarh State Electricity Board
DIN	Director Identification Number
Distt.	District
DP ID	Depository Participant's Identity
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPC	Engineering, Procurement and Construction
EPS	Earnings Per Share i.e., profit after tax for a fiscal year divided by the outstanding number of equity shares at the end of that fiscal year
FCNR	Foreign Currency Non Resident
FDI	Foreign Direct Investment
FLC	Foreign Letter of Credit
GDP	Gross Domestic Product
GoI/ Government	Government of India
HUF	Hindu Undivided Family
IASB	International Accounting Standard Board
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
ILC	Inland Letter of Credit
IPP	Independent Power Plant
IPO	Initial Public Offering
MAT	Minimum Alternative Tax under the I.T Act
MoC	Ministry of Coal, Government of India
MoEF	Ministry of Environment and Forests, Government of India
MoP	Ministry of Power, Government of India
NA	Not Applicable
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR	Non-resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian as defined under FEMA and the Foreign Exchange Management Act (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000

Term	Description
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
P/E Ratio	Price Earnings Ratio
PAN	Permanent Account Number allotted under the I.T. Act
PBDIT	Profit before depreciation, interest and tax
PIO	Persons of Indian Origin
REC	Rural Electrification Corporation Limited
RBI	Reserve Bank of India
RONW	Return on Net Worth
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
PFC	Power Finance Corporation Limited
PGCIL	Power Grid Corporation of India Limited
RONW	Return on Net Worth
STT	Securities Transaction Tax
UIN	Unique Identification Number
U.S. / USA	United States of America
USD/US$	United States Dollar
U.S. GAAP	United States Generally Accepted Accounting Principles
w.e.f.	With effect from

For additional definitions on currencies see "***Presentation of Financial, Industry and Market Data***" on page ix.

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 standalone and consolidated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations included in this Draft Red Herring Prospectus.

Our fiscal year commences on April 1 and ends on March 31 of the next year, so all references to a particular fiscal year are to the 12 months period ended March 31 of that year. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. Although we have presented a summary of significant differences between Indian GAAP, IFRS, and the U.S. GAAP, we have not attempted to quantify their impact on the financial data included herein. 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 GAAP. 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.

All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India, all references to the "U.S.", "USA", or the "United States" are to the United States of America.

Except where specified, in this Draft Red Herring Prospectus, all figures have been expressed in "millions".

Industry and Market Data

Unless stated otherwise, the industry and market data used throughout this Draft Red Herring Prospectus has been obtained from industry publications and government data. These publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified. Data from these sources may also not be comparable. The extent to which industry and market data used in this Draft Red Herring Prospectus is meaningful depends on the readers' familiarity with and understanding of the methodologies used in compiling such data.

The information in this Draft Red Herring Prospectus on the geological reserves of the coal mines and coal blocks allotted to us is based on information provided by the Ministry of Coal, Government of India. These coal reserves are non-reserve coal deposits under Industry Guide 7 under the Securities Act. This data has not been prepared or independently verified by us or the BRLMs, the CBRLM or any of their respective affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors***" on page xiii. Accordingly, investment decisions should not be based on such information.

In accordance with the SEBI Regulations, we have included in the section titled "***Basis for the Issue Price***" on page 48 information relating to our peer group companies. Such information has been derived from publicly available sources and the Company has not independently verified such information.

Currency and Units of Presentation

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. In this Draft Red Herring Prospectus, we have presented certain numerical information in 'million' units. One million represents 1,000,000. Ten million represents 10,000,000.

Exchange Rates

This Draft Red Herring Prospectus contains translations of certain U.S. Dollar and other currency amounts into

Indian Rupees that have been presented solely to comply with the requirements of item (VIII) sub-item (G) of Part A of Schedule VIII of the SEBI Regulations. These convenience translations should not be construed as a representation that those U.S. Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The exchange rates of the respective foreign currencies as on March 31, 2009 and June 30, 2009 are provided below.

Currency	Exchange Rate as on March 31, 2009	Exchange Rate as on June 30, 2009
1 US$	50.72	47.9
1 Boliviano	7.2769	6.8723
1 Indonesian Rupiah	0.0044	0.0047
1 MNT- Mangolian Tugrug	0.0349	0.0337
1 MT – Mozambique Metical	1.8147	1.8282
1RAND – South African Rand	5.3231	6.2087
1MGA – Ariary	0.0261	0.0250
1 KW – Kwacha	0.3661	0.3458
1NR – Nepalese Rupee	0.6266	0.6365

Source Thomsom Reuters

The following table sets forth the exchange rate of Indian Rupees into US$ for the last 5 fiscal years.

Exchange Rate as on March 31,				
2009	**2008**	**2007***	**2006**	**2005**
50.95	39.97	43.59	44.61	43.75

Source: Reserve Bank of India

**No information for March 31, 2007 is available, hence, exchange rate information as on March 30, 2007 has been provided.*

NOTICE TO INVESTORS

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus. Any representation to the contrary is a criminal offence in the United States.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and, unless so registered, may not be offered or sold within the United States 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 being offered and sold (a) in the United States or only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as "QIBs") in transactions exempt from the registration requirements of the Securities Act and (b) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

This Draft Red Herring Prospectus has been prepared on the basis that all offers of Equity Shares will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the European Economic Area ("EEA"), from the requirement to produce a prospectus for offers of Equity Shares. The expression "Prospectus Directive" means Directive 2003/71/EC of the European Parliament and Council and includes any relevant implementing measure in each Relevant Member State (as defined below). Accordingly, any person making or intending to make an offer within the EEA of Equity Shares which are the subject of the placement contemplated in this Draft Red Herring Prospectus should only do so in circumstances in which no obligation arises for the Company or any of the Underwriters to produce a prospectus for such offer. None of the Company and the Underwriters have authorized, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the Underwriters which constitute the final placement of Equity Shares contemplated in this Draft Red Herring Prospectus.

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" or other words or phrases of similar import. Similarly, statements that describe our objectives, strategies, 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 to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- dependence on contractors for construction and development of the projects;
- inability to obtain coal or adequate quality and quantity at commercially reasonable terms;
- increased costs of developing our projects caused by delays due to unforeseen circumstances;
- delay or non-receipt of necessary government and other approvals;
- regulatory changes pertaining to the industry in India which have an impact on our business and our ability to respond to them;
- our ability to successfully implement our strategy, growth and expansion;
- competition in the industry in which we operate in;
- our ability to respond to technological changes;
- our exposure to market risks;
- the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices and other rates or prices; and
- general economic and political conditions in India and globally, which have an impact on our business and our ability to respond to them.

For further discussion of factors that could cause our actual results to differ, see "***Risk Factors***" and "***Management Discussion and Analysis of Financial Condition and Results of Operations***" on pages xiii and 188, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor the BRLMs or the CBRLM nor the Syndicate Member nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting 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, the BRLMs and the CBRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

SECTION II - RISK FACTORS

An investment in the Company's Equity Shares involves a high degree of risk. You should carefully consider the risks described below as well as other information in this Draft Red Herring Prospectus before making an investment in the Company's Equity Shares. The risks described in this section are those that we consider to be the most significant to the offering of our Equity Shares. If any of the following events occur, our business, financial condition, results of operations and prospects could materially suffer, the trading price of the Company's Equity Shares could decline, and you may lose all or part of your investment. 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 risks mentioned herein.

Unless otherwise stated, the financial information of the Company used in this section is derived from our restated unconsolidated financial statements.

In this section, a reference to the "Company" means Jindal Power Limited. Unless the context otherwise requires, references to "we", "us, "our", or "JPL" refers to Jindal Power Limited and its Subsidiaries, taken as a whole.

RISKS RELATED TO OUR BUSINESS OPERATIONS

1. We depend on various contractors to construct and develop our projects and we may face execution risks relating to the quality of the services, equipment and supplies provided by contractors.

We depend on the availability and skills of third party contractors for the construction and installation of our power projects and the supply of certain key plant and equipment. We may only have limited control over the timing or quality of services, equipment or supplies provided by these contractors and are highly dependent on some of our contractors who supply specialized services and sophisticated and complex machinery. We may be exposed to risks relating to the quality of the services, equipment and supplies provided by contractors necessitating additional investments by us to ensure the adequate performance and delivery of contracted services.

The execution risks we face include:

- contractors hired by us may not be able to complete construction and installation on time, within budget for contracts on variable costs basis, or to the specifications and standards that have been set in the contracts with them;
- delay in the delivery of equipment;
- delays in meeting project milestones or achieving commercial operation by the scheduled completion date could increase the financing costs associated with the construction and cause our budgets to be exceeded or result in delayed payment to us by customers, invoke liquidated damages or penalty clauses, or result in termination of contracts;
- we may not be able to recover the amounts that we have invested in construction contracts if the assumptions contained in the feasibility studies for these projects do not materialize;
- we may not be able to pass on certain risks to our contractors such as unforeseen site and geological conditions;
- as we expand geographically, we may have to use contractors with whom we are not familiar, which could increase the risk of cost overruns, construction defects and failures to meet scheduled completion dates;

- our contractors may engage contract labourers to complete specified assignments and although we do not engage such labourers directly, we may be held responsible under applicable Indian laws for wage payments to such labourers should our contractors default on wage payments. Furthermore, pursuant to the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, we may be required to retain such contract labourers as our employees. Any requirement to fund such payments and any such order from a court or any other regulatory authority may adversely affect our business and results of our operations.

Contractors and suppliers in our business are generally subject to liquidated damages payments for failure to achieve timely completion or performance shortfalls. They may also give limited warranties in connection with design and engineering work as well as provide guarantees and indemnities to cover cost overruns and additional liabilities. However, liquidated damages provisions, guarantees and indemnities may not address all losses, damages or risks or cover the full loss or damage suffered due to construction delays, performance shortfalls, or the entire amount of any cost overruns. We may therefore not be able to recover from a contractor or suppliers the full amount owed to us. Further, to the extent a contractor or supplier provides warranties in connection with design and engineering work, these warranties may be non-recourse to the contractor or supplier for design and engineering defects outside the scope of the warranties, and either no or limited recourse against the contractor or supplier for any latent defects if we or a client has reviewed and approved such designs and engineering. We may be exposed to these risks even when we retain an EPC contractor for the construction of any power project.

2. If we are unable to obtain coal of adequate quality or in the required quantity at commercially reasonable terms, our financial condition and results of operation could be adversely affected.

The most critical feedstock required by our thermal power plants to generate electricity is coal. We have six thermal projects under operation, implementation or planning that are coal-fired. Key factors in the success of these projects is the ability to source fuel of adequate quality, at competitive prices, and in sufficient quantities necessary to generate the contracted capacity under power purchase agreements and for short-term sales.

While we have captive coal mines for our operational Tamnar I Project, our Tamnar II Project under implementation in Chhattisgarh does not have a secure source of fuel. We have applied to the Ministry of Coal for a long-term coal linkage to meet the fuel requirements for this power plant and our application is pending. We also do not currently have any long-term coal linkages for our thermal projects under planning. JSPL has captive coal mines for the Dumka Project and the Godda Project which are being assigned to us. We will rely on JSPL to supply us with coal from these coal mines for these projects, subject to receipt of applicable regulatory approvals. For the Dumka Project, currently JSPL has an approval to mine coal for up to 1,000 MW and is yet to apply for approval to mine additional coal. We cannot assure you that we will receive the coal linkages that we have applied for in time or at all or that our current coal linkages will be sufficient to meet our coal requirements. If the Dumka Project and the Godda Project are assigned to us upon receipt of regulatory approvals but we do not receive approval from Ministry of Coal for our coal supply agreement with JSPL, we will not be able to rely on JSPL to supply us with coal from the captive coal mines for these projects and will need to make alternative arrangements, including purchasing coal from the open market. In such circumstances, or if we are unable to obtain coal linkages for our other projects, we may need to pay higher prices and may not be able to obtain coal of adequate quality or in the required quantity even at higher prices. If JSPL fails to perform its obligations under its coal supply agreements with us caused by disruptions due to weather, labour relations, or otherwise or if the coal supplied is of poor quality, we may not be able to make alternative arrangements in a timely manner, if at all, and any such alternative arrangements may be more costly to us. If we decide to import coal for fuel supply, we will also be vulnerable to any fluctuations in fuel prices. In addition, we may decide to import coal from countries which may have regulations restricting our ability to import coal.

The quality of the coal supplied is another key factor to the success of our power projects as larger quantities of poor quality coal would be required to produce the same amount of power as coal of a higher calorific value which would impact our costs and results of operations. In addition, coal linkages for our power projects are based on a certain PLF and if we operate our power projects at higher PLFs, we will

need additional coal. We will not be able to source this additional coal from our coal linkages and will need to obtain this additional coal from other sources, which may not be available on terms that are commercially acceptable to us, or at all.

3. It may be difficult for investors to evaluate the probable impact of our current and proposed development activity on our financial performance.

All of our revenues, including for the year ended March 31, 2009, has been derived primarily from our Tamnar I Project in Raigarh, Chhattisgarh which. has only been fully operational since September 2008. We currently have six projects aggregating 10,480 MW of capacity under implementation and three projects aggregating 4,180 MW of capacity under planning, which is significantly more than the 1,000 MW of capacity that is operational. Due to the high levels of current and proposed development activity and due to the long gestation periods before projects achieve commercial operation, our historical financial results may not accurately predict our future performance. The total amount deployed by our Company in projects comprising thermal power projects of 2,400 MW in Chhattisgarh, 1,320 MW and 660 MW in Jharkhand, and three hydroelectric power projects with an aggregate installed capacity of 6,100 MW in Arunachal Pradesh as of November 30, 2009 was Rs. 9,073.65 million. Further, we do not expect any of the projects currently under implementation to achieve commercial operation until December 2012. It may therefore be difficult for investors to evaluate the probable impact of the completed power plants on our financial performance or make meaningful comparisons between reporting periods until we have operating results for a number of reporting periods for these facilities and assets. Also, the viability of our power projects under implementation and planning are based on assumptions and estimates regarding continuing deficit of power in India over the foreseeable future. However, the significant investment in power generation assets across India coupled with the long gestation period before power projects achieve commercial operation means that by the time our power projects achieve commercial operation there may, as some commentators believe, be a surplus of power in certain regions of India. As a result, we may not realize the returns we originally estimated in our models nor can we accurately predict the competition nor the environment in which we may then be required to operate.

4. The scheduled completion dates for our projects are based on management estimates and are subject to the risks arising from contractor performance shortfalls, including cost overruns, which may affect our results of operations.

While one of our power projects is operational, six projects are in the implementation phase, and three other projects are in the planning stage. Each project is required to achieve commercial operation no later than the scheduled commercial operations date specified under the implementation agreement or the MoU, subject to certain limited exceptions. The scheduled completion dates for our projects are based on management estimates and are subject to the risks arising from contractor performance shortfalls. If any of these risks materializes, it could give rise to delays, cost overruns, lower or no returns on capital, erosion of capital and reduced revenue for the company, failure to meet scheduled debt service payment dates or expose us to claims for liquidated damages under implementation agreements resulting from the delay. We may not have recourse to the third party contractor for the delay or the liquidated damages payable by the third party contractor to us or the relevant project company may not be sufficient to cover the amount of the claim or commensurate with the range of remedies available to our customers.

5. We may not be able to acquire new power projects or integrate the acquired power plant into our business.

We may acquire additional power generation development projects, existing power plants or related businesses in the future that we believe are a strategic fit with our business. However, we may not be able to identify acquisition or investment opportunities that are commercially acceptable to us, or complete the acquisition and the development of the projects as anticipated. Acquisition of new power projects and/or existing power plants may also require substantial due diligence and integration efforts. Although we may attempt to minimize the risks associated with an acquisition by conducting an investigation of the project and related matters, our investigation may not uncover all material risks associated with such an acquisition, some of which may entail significant costs or expose us to unanticipated liabilities. We also

may not be able to successfully integrate any acquired power plant into our operations without significant expenditures of operating, financial and management resources, if at all, and may not be able to realize the anticipated benefits of such acquisitions. Failure to acquire new power projects or existing power plants, complete the project development as scheduled or integrate the acquired power plant into our business could adversely impact our business, financial condition and results of operations.

6. Any delay or inability to obtain approvals and licenses or enter into agreements with third parties required for our projects could have a material adverse effect on our financial results and business prospects.

We require certain approvals, licenses, registrations and permissions from time to time for operating our business. The government approvals and licenses are typically subject to numerous conditions, some of which are onerous and require us to make substantial expenditures. For more information, see "***Government and other Approvals***" on page 245. We also enter into arrangements with third parties for setting up our power projects. These include, among other things, entering into MoUs, fuel supply agreements, agreements for the supply of plant and equipment and financing arrangements. If we fail to obtain or retain any of the required approvals or licenses, or if we fail to comply or a regulator claims we have not complied with the conditions to these approvals or licenses, our business, prospects, financial condition and results of operations may be materially and adversely affected. In addition, any change in our relationship with our lenders and suppliers could materially affect our business and operations.

Even before we achieve financial closure or can begin construction for these power projects, we need certain key approvals, licenses and registrations from various government entities at the Indian central and state government level. These include memoranda of understanding, letters of intent, approvals for land acquisition, environmental clearances, and approval for fuel supply.

For example:

- The proposed installed capacity of our projects under implementation and projects under planning is subject to change;
- We have not yet entered into off-take arrangements for our hydroelectric projects under implementation;
- We have not received final environmental approvals or detailed project reports for most of our projects under implementation; and
- In addition to the 25% of power we have agreed to sell to the GoJ from our proposed 2,640 MW Jharkhand Project, the GoJ has recently initiated a policy to the Government of India, which if approved, may require us to sell an additional 12% of the power produced to the state, at variable cost, which may lead to lower generation tariffs.

If we are not able to obtain these approvals, consents or MoUs, or enter into such arrangements or enter into binding documentation in a timely manner or at all, our projects under implementation may be delayed or not proceed at all, which will impact our ability to recover our fixed investments in our power projects and may have an adverse effect on our financial results and business prospects.

7. Any delay in obtaining or inability to obtain various approvals required for the power projects being assigned by JSPL to us could have a material adverse effect on our financial results and business prospects and we may be unable to utilize the Net Proceeds of this Issue as described in this Draft Red Herring Prospectus.

We have entered into assignment agreements with one of our Promoters, JSPL, for the assignment of three thermal power projects, the Dumka Project, the Godda Project and the Angul Project, with an aggregate capacity of 1,980 MW under implementation and 1,320 MW under planning, to us, subject to receipt of

applicable regulatory approvals. Before these power projects are assigned to us, we need certain government approvals, including approvals from the GoO for the assignment of memoranda of understanding. We also require water approvals, land approvals and environmental clearances for the development of these projects. There can be no assurance that these approvals will be obtained within the scheduled time anticipated by us, or at all. If we are not able to obtain these approvals, JSPL will not be able to assign these power projects to us and we will not be able to develop these projects which would significantly reduce our proposed installed capacity, as disclosed in this Draft Red Herring Prospectus. We also require approval from the Ministry of Coal for the supply of coal from the coal blocks allocated for the Dumka Project and the Godda Project pursuant to the coal supply agreement entered with JSPL. If we don't receive such approval, we may have difficulty in obtaining alternative sources of fuel for one of more of these projects on commercially acceptable terms, if at all. Any delay or inability in obtaining these approvals could have a material adverse effect on our financial condition and business prospects.

In addition, as described in "***Objects of the Issue***" on page 33, we intend to utilized approximately Rs. [•] of the Net Proceeds of this Issue to part finance the development and construction of the Dumka Project and the Godda Project. If there is any delay in obtaining, or if we are unable to obtain, the various approvals required for the assignment of the Dumka Project and the Godda Project to us, we would be unable to use such Net Proceeds as described in this Draft Red Herring Prospectus. For further details regarding the assignment agreements and applicable regulatory approvals, see "***Description of Certain Key Contracts***" and "***Government and Other Approvals***" on pages 96 and 245, respectively.

8. Our plans require significant capital expenditures and if we are unable to obtain the necessary funds on acceptable terms for expansion, we may not be able to fund our projects and our business may be adversely affected.

We believe that we will need significant additional capital to finance our business plan. Currently, we estimate that we will need to raise Rs. 176,805.27 million in debt (including undisbursed debt amounts) to finance our Identified Projects, as defined in the "***Objects of the Issue***" on page 33. The implementation of our projects is also subject to a number of variables and the actual amount of capital requirements to implement these projects may differ from our internal estimates. If the actual amount and timing of future capital requirements differs from our estimates, we may need additional financing and we cannot assure you that such financing will be available to us on commercially acceptable terms, if at all.

We may face cost overruns during the construction or implementation of our power projects, which would require us to revise our project cost estimates and obtain additional funding. For example, our estimated project cost for the first phase of our Tamnar II Project under implementation assumes that we are granted 'mega-power' status from the Government of India for this project. 'Mega-power' projects are eligible to receive certain tax benefits and other benefits. See "***Industry Overview – Mega Power Projects***" on page 56 for more details on benefits available to a 'mega power' project. If we do not receive 'mega-power' status for this project, the tax and duty component of the project cost for the first phase of this project is estimated to increase by Rs. 4,583.00 million. The expected unit configuration and the transmission configuration of our power projects under implementation and planning may change. Any such change may have an impact on the estimated cost of such power projects, adversely affecting our business, financial condition and results of operations.

As of June 30, 2009, we had Rs. 23,582.03 million secured loans outstanding. We have also obtained sanction letters from various banks for up to Rs. 112,000.00 million. Each of the sanction letters has a validity period within which we need to accept the sanction and enter into definitive agreements.

The sanction letters contain certain conditions that need to be satisfied before any of the banks disburse the first tranche of the loans. We may not be able to satisfy such conditions and reach an agreement with these banks and financial institutions in the given time period, in which case they would have no obligation to arrange such loans for us. The terms and conditions of the sanction letters may be changed by the banks in a manner that may be adverse to us. For more details on our sanction letters and loan arrangements, see "***Objects of the Issue***" and "***Financial Indebtedness***" on pages 33 and 183, respectively. In addition, if

there is a tightening of credit in the financial markets in the future, financing for our hydroelectric projects under implementation and our projects under planning may not be available on commercially acceptable terms. Our ability to continue to arrange for financing on a substantially non-recourse basis for our power projects and the costs of such capital is dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the success of our current power projects including our ability to secure favourable power purchase, fuel supply and operation and maintenance agreements, and other factors outside our control. Adverse developments in the Indian and international credit markets may significantly increase our debt service costs and the overall cost of our funds. For our thermal power projects, we intend to finance approximately 25% to 30% of the cost with equity and approximately 70% to 75% of the cost with third-party debt. While we believe that this division reflects the current market for financing power projects in India, this standard could change or financial institutions or investors could require additional contributions from us. If this occurs, it would reduce our leverage for the project being financed and could negatively impact our expected returns. If we experience a significant increase in capital requirements or delays with respect to the implementation of the Identified Projects, we may need additional financing and we cannot assure you that such financing source will be available to us on commercially acceptable terms, or at all. In addition, our lenders may require us to invest increased amounts of equity in a project in connection with both new loans and the extension of facilities under existing loans.

We are also exploring other opportunities in power generation using renewable energy sources. For example, we have applied to the regulatory authorities in Rajasthan for power capacity allocations for a 500 MW solar power project. If we decide to develop any of these other opportunities as new projects, we will require a significant amount of additional capital to fund this development and we may not be able to raise debt or equity financing on terms that would be acceptable to us, or at all.

9. Any delay in the acquisition or leasing of land required for our power projects or inability to identify or correct any defects or irregularities of title to such land may have an adverse effect on our business, financial condition and results of operations.

We have either not yet commenced or are still in the process of acquiring or leasing land for some of the projects under implementation and planning. For example, we are yet to receive title to approximately 1,432 acres of land for our Tamnar II Project under implementation in Chhattisgarh and we are in the process of acquiring 900 acres and 500 acres of land for the Dumka Project and the Godda Project under implementation in Jharkhand, respectively. We cannot assure you that all requisite approvals related to, and the acquisition of, or lease of, or right of way over land or the registration of land will be completed in a timely manner and on terms that are commercially acceptable to us, if at all, even when the Government of India and/or state governments are required to facilitate the acquisition or leasing of land. If the actual acquisition costs of the land for the projects are higher than expected, our overall cost for these projects will correspondingly increase and may have an adverse effect on our cash flows and results of operations. Delays in the acquisition of land may delay financial closure, delay locking-in interest rates, and cause construction delays and result in a breach and an event of default under implementation agreements or power purchase agreements leading to possible disputes with concerned parties.

We are still leasing land required for certain of our projects under implementation and we do not expect to own all the land for all of our projects. For example, for our operational Tamnar I Project, approximately 682.48 hectares of land has been leased to us by the Chhattisgarh State Industrial Development Corporation Limited for a period of 99 years. There may be a mismatch between the duration of the lease and the lifetime of the relevant power project. In the event that a lessor terminates the relevant lease deed early in the event of a default, or if one of our leases is not renewed, our business, financial condition and results of operations could be adversely affected.

In addition, there may be various legal defects and irregularities of title to the land on which we intend to develop our power projects, which we may not be able to fully identify or assess. Our rights in respect of such land may be compromised by improperly executed, unregistered or insufficiently stamped conveyance instruments in the property's chain of title, unregistered encumbrances in favour of third parties, rights of adverse possessors, ownership claims of family members of prior owners, incapacity of the parties or other

defects that we may not be aware of. Any defects or irregularities of title may result in loss of development rights over land and may require us to write off substantial expenditures in respect of such projects. Any inability to identify and/or rectify defects or irregularities of title, and any acquisition of land based on inaccurate, incomplete or outdated information may have an adverse effect on our business, financial condition and results of operations.

10. Our power projects are subject to regulatory and tariff risks which may affect our results of operations.

Regulatory and tariff risks related to our power projects include:

- Actual generation tariffs may be lower than expected due to competition from other power generating companies;

- Our power plants are subject to the regulations imposed by the states in which they are located and if there is a severe shortage of power in any of those states, we may be restricted from selling our power generated on a short-term basis or at a low tariff fixed by the state government. If such an order were to be made in the states in which we have projects under operation, implementation or planning, it may have a negative impact on our results of operations.

In addition, we have applied for, but not yet received, an exemption from electricity duty which we believe is available for power companies such as us, in the state of Chhattisgarh. Failure to obtain this electricity duty exemption from the Government of Chhattisgarh would adversely impact our costs and results of operation.

11. Estimates of our coal reserves are subject to assumptions, and if the actual quantities of such reserves are less than estimated, our results of operations and financial condition may be adversely affected.

Actual reserves and production levels in our Gare Palma IV/2 and IV/3 captive coal mines in Chhattisgarh, the Amarkonda-Murgadangal and Jitpur captive coal blocks allocated to JSPL or any future coal blocks that we may be allotted to us, may differ significantly from estimates. The coal reserve data has been provided to us or JSPL by the Ministry of Coal and we have not independently verified all such data or appointed any independent reserve engineers to verify all such data. The coal reserve estimates provided by the Ministry of Coal are subject to various assumptions such as interpretations of geological data obtained from sampling techniques and projected rates of production in the future. However, actual reserves and production levels may be significantly lower than the estimates and we cannot assure you that there are sufficient reserves to meet our total fuel requirements. If the quantity or quality of our coal reserves has been overestimated, our reserves will be depleted more quickly than anticipated and we may then have to source the required coal from alternate sources. Prices and supply for coal from alternate sources may exceed the cost and availability of extracting coal ourselves, which would cause our costs to increase and consequently adversely affect our financial condition, results of operations and business prospects.

12. Variations in hydrological conditions, meteorological changes and geological uncertainties may adversely affect our Company's results of operations and financial conditions.

While we have been operating a thermal power project since December 2007, neither we nor JSPL has developed a hydroelectric power plant. Accordingly any inability to effectively manage and operate our hydroelectric power plants could adversely affect our results of operations and financial conditions.

The primary advantage of our hydroelectric projects is the perennial flow of water due to snowmelt and climatic conditions. However, there can be no assurance that the water flows will be consistent with our projections or that the long-term historical water availability will remain unchanged in the future or that no material hydrological or seismological event will impact the hydrological conditions that currently exist at our project sites. In addition, changes in water flow may affect our prospective hydroelectric generation capacity. Water flow varies each year, depending on factors such as rainfall, snowfall, the rate of snowmelt and other climatic conditions. We therefore expect that our operating results would be more favourable

during the monsoon season. The substantial rainfall during these months generally leads to high generation because sufficient water is available to allow our power plants to be operated at full capacity. However, we would expect operating results to be less favourable during the remainder of the year when there is less water available. Adverse hydrological conditions whether seasonal or for an extended period of time, which result in lower, inadequate and/or inconsistent water flow may render our prospective hydroelectric power plants incapable of generating adequate power, thus affecting our results of operations and financial condition.

In addition, hydroelectric operations can also be affected by the build up of silt and sediment that can accumulate behind dam walls, which prevent the silt from being washed further down the river. Excess levels of silt can also occur in waterways due to changes in environmental conditions. High concentrations of silt in water can cause erosion problems in a station's hydroelectric turbines or can lead to blockages in the turbines themselves. While we plan to take steps to control the levels of silt, any such damage or blockage may require us to shut down the station which will mean we are unable to generate power that may lead to a reduction in revenue.

We are in the process of conducting feasibility studies on our hydroelectric projects. We may not be able to recover the amounts that we have invested in the three hydroelectric projects under implementation if the assumptions contained in the feasibility studies, especially in respect of the geology of the sites do not materialize. Further, extensive geological investigation will be carried out by independent engineers before taking up civil works for our power projects. Any adverse geological features such as major faults, thrusts or highly stressed rock mass, occurrences of such adverse geological conditions in the future cannot be ruled out. Furthermore, the conclusions of independent geological investigations are subject to uncertainties and geographical mapping may not correspond to the selective drilling. As a result, we may be required to undertake additional work to commission our projects, such as digging more tunnels than anticipated, resulting in delays and our Company having to incur additional costs. Any of the foregoing factors could materially and adversely affect our business, financial condition and results of operations.

13. The implementation and operation of our power projects or mines may face opposition from local communities and other parties which may affect our results of operations and financial condition.

The implementation and operation of power projects and mines may face opposition from the local communities where these projects are located and from special interest groups. The resettlement of local communities and rehabilitation program is developed on a project by project basis and is included in our budget for each project. There can be no assurance that there will not be any objection to or dispute in relation to such resettlement, including litigation which may affect our mining operations until any such dispute is resolved. We may incur significant expenditure on any such resettlement which may adversely affect our financial condition and results of operation. We may face opposition to the implementation of our power projects, our mining operations and our land acquisitions from local communities, non-government organizations and other parties due to various reasons including the perceived negative impact such activities may have on the environment and increased demand on resources such as water from the rivers and reservoirs which may negatively impact or restrict such local communities access to resources. For instance, the High Court of Chhattisgarh in its interim order in the writ petition (no. 817/2006) has denied the conversion of agricultural land to non-agricultural land for a period of ten years from the date of purchase pursuant to the Chhattisgarh Land Revenue Code, 1958. The case is currently pending. We own 25.45 hectares of land in the scheduled area but are not a party to the lawsuit. Separately, we have made an application for the conversion of such land to non-agricultural land. Any adverse decision or order could adversely affect the development plans of our Company in this region. There may be a liability on our Company in the case of award in favour of the tribal people.

14. Mining operations are subject to risks that may not be adequately covered by insurance that could have a material adverse effect on our results of operations and financial condition.

Mining operations are subject to hazards and risks normally associated with the exploration, development and production of natural resources, any of which could disrupt our operations or cause damage to persons or property. The occurrence of industrial accidents, such as explosions, fires, transportation interruptions

and inclement weather as well as any other events with negative environmental consequences, could adversely affect our operations by disrupting our ability to extract minerals from the mines we operate or exposing us to significant liability. We may incur significant costs, which may not be adequately covered by insurance that could have a material adverse effect on our results of operations and financial condition.

15. The information memoranda prepared in relation to the Identified Projects highlight certain risks relating to these projects.

The information memorandum prepared by SBI Capital Markets in relation to the Identified Projects highlight the following risks relating to these projects:

- management risk relating to implementation capability and experience;
- pre-completion risk relating to construction risks, land availability and cost over-run;
- post-completion risk relating to environmental risks, water availability, fuel supply, coal transportation and evacuation risks;
- market risk relating to off-take risk and payment risk;
- technology risk relating to plant performance, force majuere and technology; and
- financial risk relating to foreign exchange and interest rate.

The information memorandum prepared by SBI Capital Markets also describes certain mitigation measures for addressing these risks identified above. If any of these risks materialize, our results of operation and profitability may be adversely affected.

16. Significant increases in prices or shortages in the availability of equipment could increase our cost of implementation.

Price increases or shortages in the availability of equipment could adversely affect our ability to develop projects in line with our projected budget and we may not be able to complete our projects as scheduled. While we may enter into fixed price contracts for our power plant projects under implementation and intend to enter into similar contracts for the development of our future power projects, the cost of these contracts is ultimately affected by the availability, cost and quality of raw materials. The BTG package is a major component in our power plants and any delay in placing orders or obtaining delivery will have an adverse impact on our financial condition, results of operation or business prospects. The prices and supply of the BTG package or other equipment depend on factors not under our control, including general economic conditions, competition, production levels, transportation costs, exchange rates and import duties.

We have not yet placed orders for any plant and machinery for our projects under implementation in Jharkhand and Arunachal Pradesh. Any delay in placing the orders or procurement of plant and machinery may delay our implementation schedule for these power projects. Such delays may also lead to increase in prices of these equipments, further affecting our cost, revenue and profitability. For further details see — Risks related to our Company — We have not placed orders or entered into contracts for the full requirement of plant and machinery for our Identified Projects and any difficulties in entering into such contracts or placing such orders may delay the implementation of the Identified Projects".

17. Any disruption of transportation services could impair the ability of our suppliers to deliver fuel and raw materials and may affect our operations.

We depend on various forms of transport, such as roadways, railways and pipelines to receive fuel, raw materials and water during implementation of our power projects and during their operation. Some of our

projects, such as our three hydroelectric power projects in Arunachal Pradesh, do not have transportation infrastructure which will therefore have to be constructed. The building of transportation infrastructure entails obtaining approvals, rights of way and development by the Government of India or by the state governments and their nominated agencies, or us. As a result, we will not have control over the construction, operation and maintenance of the transportation infrastructure. There can be no assurance that such transportation infrastructure will be constructed in a timely manner, operated on a cost effective basis and maintained at adequate levels, which may affect the estimated commissioning dates for our power projects. Undertaking such development will require significant capital expenditure and active engagement with the government and its agencies responsible for organizing transport infrastructure. Further, disruptions of transportation services because of weather-related problems, strikes, inadequacies in the road or rail infrastructure, or other events could impair the ability of our suppliers to deliver fuel and raw materials and may have an adverse impact on our operations.

18. Our success will depend on our ability to attract and retain our key personnel. Any failure to attract and retain such personnel could have a material adverse impact on our business, financial condition and results of operations.

Currently, we depend on senior executives and other key management members to implement our projects and our business strategy. If any of these individuals resign or discontinues his or her service and is not adequately replaced, our business operations and our ability to successfully implement our projects and business strategies could be materially and adversely affected.

Competition for management and industry experts in the industry is intense. Our future performance depends on our ability to continue to identify, hire and retain key technical, support, engineers, and other qualified personnel. Failure to attract and retain such personnel could have a material adverse impact on our business, financial condition and results of operations.

19. Our PPAs may expose us to certain risks that may affect our future results of operations.

In the power generation business, there are often limitations on a company's ability to, among other things, increase prices at short notice, sell interests to third parties and undertake expansion initiatives with other consumers. Accordingly, if there is an industry wide increase in tariffs, we may not be able to renegotiate the terms of any long-term PPAs which we may enter into to take advantage of the increased tariffs. In addition, in the event of increase in operational costs, we may not be able to reflect a corresponding increase in our tariffs. Therefore, the prices at which we supply power may have little or no relationship with the costs incurred in generating power.

In addition, PPAs, including ours, generally require a power supplier to guarantee certain minimum performance standards, such as plant availability and generation capacity. The tariffs we charge are also typically arrived at assuming a certain heat rate and other technical norms. If our facilities do not meet the required performance standards, our customers may not reimburse us for any increased costs arising as a result of our plants' failure to operate and maintain the power plants in accordance with the required performance standards or within the agreed norms, and we will have to bear the additional costs associated with such inefficiencies. Further, any breakdown or failure of transmission systems can disrupt transmission of electricity by our power plants to the applicable delivery point. In the event that we fail to supply the minimum guaranteed power at the delivery points specified in PPAs, in terms of "take or pay" obligations under such PPAs, we may be required to pay for the deficient minimum guaranteed power or the cost differential for the power procured by the consumer from alternate sources. In the event we default in fulfilling our obligations under the PPAs, we may be liable to penalties and in certain specified cases, customers may also terminate such PPAs. The termination of any PPA by our customers would adversely affect our goodwill, business and results of operations.

We sell a majority of power from our Tamnar I Project under short-term PPAs, which creates additional variability in our revenues and exposes our business to risks of market fluctuations in demand and price for power. In particular, we may not find buyers at short notice for the desired quantity and desired time for our power. In the case of short-term PPAs, the prices we receive may have little or no relationship to the cost to

us of supplying this power. This means that our margins for the sale of power may fluctuate considerably as we will not be able to always pass on to customers variable costs such as fuel and transportation costs, grid transmission costs, import duties on fuel and capital costs. Failure to enter into off-take arrangements in a timely manner and on terms that are commercially acceptable to us could adversely affect our business, financial condition and results of operations.

In addition, we have entered into long-term PPAs with JSPL for our thermal power projects under implementation in Jharkhand. Under these PPAs and the applicable laws, we are required to sell 51% of the power generated at the Dumka Project and the Godda Project to JSPL for use at JSPL's steel plant being developed. If the steel plant is delayed, or if the Dumka Project and the Godda Project commence commercial operations prior to the JSPL steel plant commencing commercial operations, we may need to make an application to the GoJ to be able to sell such power to parties other than JSPL. Any change in our off-take arrangements could adversely affect our business and operations.

20. Our customers may have weak credit histories which may affect their ability to pay us and adversely affect our financial position and results of operations.

Our customers tend to be state-owned distribution companies, public utilities and other private procurers who are typically invoiced on a weekly basis. Certain of these entities may have had weak credit histories and we cannot assure you that these entities will always be able to pay to us in a timely manner, if at all. Any change in the financial position of our customers that adversely affects their ability to pay us may adversely affect our own financial position and results of operations. In addition, there can be no assurance that in the event any customers default on payment, that the existing security arrangements we may have, adequately cover the payments due.

In PPAs with private entities, we may also face difficulties in enforcing the payment provisions. Faced with disputes and counterclaims between transmission companies, electricity boards and generation companies caused by a variety of factors, certain entities have in the past refused to perform their obligations under such payment provisions until such disputes or counterclaims have been fully resolved, which can take a substantial period of time.

Accordingly, any failure by any of our customers to fulfill their obligations to us could have an adverse effect on our cash flows, income, business prospects and results of operations.

21. We depend on a few customers for a majority of our revenues and the loss of any one of our major customers may adversely impact our revenue and profitability.

We depend and will continue to depend on a few customers for the sale of power generated by our power projects. We have derived and believe that we will continue to derive a significant portion of our revenue from a few major customers. For fiscal 2009, our five largest customers (constituting 33% of our total customers for such period) accounted for approximately 75% of our net revenue. Our five largest customers accounted for 94% of our net revenue for the three months ended June 30, 2009. The revenue from these customers may vary from year to year, particularly since we are not the exclusive service providers for our customers. Any loss of our major customers on whom we continue to depend for a significant portion of our revenue, any decrease in the offtake from these customers or a decrease in the price at which we sell our power to them may adversely affect our revenue, profitability and results of operations.

22. Our ability to develop a profitable power trading business is dependent on the success of our trading and risk management activities.

Our ability to develop a profitable power trading business is in large part dependent on the success of our trading and risk management activities. Our subsidiary, CETC, has been engaged in power trading activities since September 2008. Our trading and risk management activities are exposed to the risk that counterparties that owe us money or energy will breach their obligations. Should counterparties fail to

perform, we may be forced to enter into hedging arrangements or honour the underlying commitment at then-current market prices. We may incur losses which may in turn adversely affect our financial results.

23. The operations of our power plants may be adversely affected by any breakdown of equipment, civil structure or transmission systems including grid failure.

Thermal power plants are complex, operate at high temperatures and involve the use of hazardous materials. As a result, they are susceptible to industrial accidents. Accidents or malfunctions involving our power assets can disrupt generation of electricity by any of our power plants and result in performance being below expected levels. Further, power projects rely on sophisticated and complex machinery that is built by third parties and is susceptible to malfunction. This is particularly true in the current industry environment, which involves rapid technological developments and may involve the installation of newly developed equipment which may not have been extensively field tested. Although in certain cases manufacturers provide warranties and performance guarantees, and may be required to compensate the Company for certain equipment failures, engineering and design defects, such arrangements are subject to time limits, fixed liability caps and may not fully compensate for the damage that a project company suffers or the penalties under agreements with its customers. Furthermore, we require the continued support of certain original equipment manufacturers, or OEMs, to supply necessary services and spare parts to maintain our projects. If we are not able to procure the required services or spare parts from these manufacturers (for example, as a result of the bankruptcy of the manufacturer), or if the cost of these services or spare parts exceed the budgeted cost, the ability of our power plants to supply electricity may be adversely affected and there may be a material adverse impact on our business, financial condition and results of operations.

The development or operation of power plants involves many operational risks, some of which are outside our control, including explosions, fires, earthquakes and other natural disasters, the breakdown or failure of generation equipment or other equipment or processes, labour disputes, fuel interruption, and operating below expected levels.

Evacuating power from each of our projects to the nearest sub-station will either be our responsibility or the responsibility of PGCIL, depending upon the arrangements made for the particular project. Further evacuation from the sub-station to our customers needs to be made available by PGCIL. If such transmission lines are not available by the time our plants are ready to commence operation, if transmission is disrupted, or transmission capacity is inadequate, we may not be able to sell and deliver power. These factors could have a material adverse affect on our business, financial condition and results of operations.

24. Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees.

Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees. We operate and maintain our 1,000 MW power project and had 596 permanent employees as of June 30, 2009. We expect to employ additional employees once we commence operations at our power projects under implementation and planning. There can be no assurance that we will not experience disruptions to our operations due to disputes or other problems with our work force which may adversely affect our business and results of operations.

25. Changes in technology may affect our business by making our equipment or power projects less competitive.

Our future success will depend in part on our ability to respond to technological advances and emerging power generation industry standards and practices on a cost-effective and timely basis. Changes in technology and high fuel costs of thermal power projects may make newer generation power projects or equipment more competitive than ours or may require us to make additional capital expenditures to upgrade our facilities. In addition, there are other technologies that can produce power, most notably fuel cells, micro turbines, windmills and photovoltaic (solar) cells. If we are unable to adapt in a timely manner to

changing market conditions, customer requirements or technological changes, our business, financial performance and the trading price of our Equity Shares could be adversely affected.

26. Our international expansion plans are subject to risks inherent in doing business on an international level.

We have recently been granted a license to survey the feasibility of setting up a hydroelectric power plant in Nepal which is in line with our business plan to continue to expand our operations outside of India. Given our limited experience with operations outside of India, our international expansion plan is subject to additional risks relating to compliance with a wide variety of national and local laws and multiple and possible overlapping tax structures. In addition, we may face competition in other countries from companies that have more experience with operations in such countries or with international operations generally. We may also face difficulties integrating new facilities in other countries with our existing operations as well as integrating employees hired in different countries into our existing corporate culture.

RISKS RELATED TO OUR COMPANY

27. Increases in interest rates may materially impact our results of operations.

As our power business is capital intensive, we are exposed to interest rate risk. Our Company is seeking to finance growth in part with debt which means that any increase in interest expense may have an adverse effect on our financial results and business prospects. Our current debt facilities carry interest at variable rates. As of June 30, 2009, Rs. 23,582.03 million, or 100% of our total debt was subject to variable rates.

In view of the high debt to equity ratios of the power projects, typically 3 to 1, an increase in interest expense is likely to have a significant adverse effect on our financial results and also increase the cost of capital to our Company which will, in turn, reduce the value of projects to the Company.

28. Our Promoters will continue to hold a substantial interest after the Issue and will continue to have the ability to exercise a controlling influence over our business, and may cause us to take actions that are not in our best interests.

Our Promoters will collectively own approximately [●]% of our post Issue paid up Equity Capital and will continue to have the ability to exercise a controlling influence over our business, and may cause us to take actions that are not in our best interests, if at all, including matters relating to our management and policies and the election of our directors and senior management, the approval of lending and investment policies, revenue budgets, capital expenditure, dividend policy and strategic acquisitions. Our Promoters 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.

29. The interests of our Promoters, Directors and some of our Group Companies may cause significant conflicts of interest in the ordinary course of our business.

Conflicts may arise in the ordinary course of decision making for our Company. Among other situations, conflicts may arise in connection with our negotiations and dealings with JSPL. JSPL has been operating captive power plants and is in the process of setting up captive power plants which are yet to be commissioned. JSPL is also in the power generation business and sells excess power to various state electricity boards. While JSPL has indicated that all future independent power generation projects in India to be undertaken by JSPL will be developed by our Company, there is no assurance that JSPL will not compete with us in relation to sale of any excess power it generates at its plants. JSPL's control over us means that the allocation of business opportunities among us, JSPL and JSPL's other subsidiaries will be

determined by JSPL. JSPL may decide to allocate future business opportunities to itself or other members of the JSPL group.

Some of our Directors are also on the board of directors of certain companies which are engaged in businesses similar to the business of our Company. Additionally, our Promoters and some of our Group Companies may get involved in businesses similar to ours which could lead to competition and conflicts of interest. There is no assurance that our Directors or Promoters will not provide competitive services or expand its presence in the business in which we are already present, or that our Promoters will not invest in companies in direct competition with us. For example, JSPL is developing a 540 MW captive power plant in Raigarh, Chhattisgarh and a 810 MW captive power plant in Angul, Odisha. If our Promoters enter into or expand their presence in businesses, or invest in another company, in competition with us, we will lose the substantial financial support provided to us by our Promoters which would materially and adversely affect our business, financial condition and results of operations. Certain of our other Group Companies are also authorized to develop power generation projects, pursuant to their constitutional documents, that may compete with us in future. As a result, there may be conflicts of interest between our Promoters, our Group Companies and us in bidding for supply of fuel and other resources or services and in selling power from projects that are operated by us.

In addition, our management's time and services are shared between JSPL and us. Many of our Directors and senior management also serve as directors of, or are employed by, our Promoters, Promoter Group and Group Companies. As a result, our management, including our senior management, is not solely focused on our business and may be distracted by, or have conflicts as a result of, the demands of other businesses which may materially and adversely affect our business, results of operations and financial condition. For further information on Group Companies, see "***Financial Statements***" and "***Our Promoters and Group Companies***" on pages F1 and 155.

We expect to have a substantial amount of ongoing transactions with other affiliated companies. For details of our transactions with our Promoters and Group Companies, see "***Financial Statements - Related Party Transactions***" beginning on page F47. Our affiliates may not be able to enter into definitive agreements on the basis of any nonbinding arrangements. As we are controlled by JSPL, we may not be able to negotiate agreements with JSPL on the most favourable terms for us. If our affiliates terminate their arrangements with us, there can be no assurance that we will be able to enter into alternative arrangements on similar terms. Failure to make alternative arrangements in a timely manner and on terms commercially acceptable to us could have a material adverse impact on our business, financial condition and results of operations.

30. Our Promoters and Directors have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits.

Our Promoters are interested in our Company to the extent of any transactions entered into or its shareholding and dividend entitlement in our Company. Some of our Directors are also directors of our Promoters, JSPL, Gagan Infraenergy and Opelina. Also one of our directors, Mr. Sushil Kumar Maroo, receives a management incentive fee from our Company. Two of our Directors, namely, Dr. Rajendra Prasad Singh and Mr. Kishore Kumar Sinha, are interested in our Company to the extent of loans made to them by our Company. For further details, see "***Our Management***" and "***Financial Statements — Related Party Transactions***" on pages 135 and F47, respectively.

Additionally, our Directors are also interested in our Company to the extent of remuneration paid to them for services rendered as Directors of our Company and reimbursement of expenses payable to them. Our Directors may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners. Additionally, our Director may be interested in the Equity Shares held by them or entities with which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to this Issue. For further details, see the sections "***Our Management***" and "***Financial Statements — Related Party Transactions***" beginning on pages 135 and F47, respectively.

31. Our power projects carry risks which may not be fully covered by insurance policies to cover our economic losses, exposing us to substantial costs and potentially leading to material losses.

Power projects carry many risks, not all of which may be insurable or possible to insure on commercially reasonable terms. Although we believe that our Company and our project company subsidiaries have insurance that is customary for operating power plants in India, this insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage.

We cannot assure you that the projects which our Company or our project companies are involved in will not be affected by any of the incidents and hazards, or that the terms of our insurance policies, will adequately, if at all, cover all damage or losses caused by any such incidents and hazards as they contain exclusions and limitations on coverage. To the extent that we suffer damage or losses which exceeds our insurance coverage the loss would have to be borne by us or the project company, as the case may be. The proceeds of any insurance claim may also be insufficient to cover the rebuilding costs as a result of inflation, changes in regulations regarding infrastructure projects, environmental and other factors. We cannot assure you that material losses in excess of insurance proceeds will not occur in the future.

We may also suffer losses due to risks not addressed as a co-insured under the insurance policies of contractors. While we maintain insurance policies to cover business interruption, natural disaster risks, and other insurable risks that are not assigned to contractors, we cannot assure you that any cost overruns or additional liabilities on our part would be adequately covered by such insurance policies. It may also not be possible to obtain adequate insurance against some risks on commercially reasonable terms. Failure to effectively cover ourselves against risks could expose us to substantial costs and potentially lead to material losses.

Insurance policies may not be available to us at economically acceptable premiums, or at all, in the future at any time that we may seek to purchase or renew such insurance. Should an uninsured loss or a loss in excess of insured limits occur, we would lose our investment in the relevant project company.

32. Contingent liabilities could adversely affect our financial condition.

We had contingent liabilities in the following amounts, as disclosed in our audited unconsolidated financial statements:

Details	As of June 30, 2009	As of March 31, 2009
	(Rs. in million)	
Exemption from electricity duty pending final regulatory approval	35.50[(1)]	26.80

[(1)] As of October 31, 2009, this amount was Rs. 47.87 million.

If these liabilities or a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations.

33. Some of our Group Companies have incurred losses in the last three fiscal years.

Some of our Group Companies have incurred losses during their last three financial years (as per their stand alone financial statements), as set forth in table below:

Loss-making Group Companies:

(In million)

S. No	Name of Group Company	Currency	Profit / (Loss) after tax		
			Fiscal 2009	Fiscal 2008	Fiscal 2007
1.	Jindal Steel Bolivia S.A.*	Boliviano	-	(12.17)	(1.12)

S. No	Name of Group Company	Currency	Profit / (Loss) after tax		
			Fiscal 2009	Fiscal 2008	Fiscal 2007
2.	PT Jindal Overseas**	Indonesian Rupiah	-	(1,342.70)	-
3.	Osho Madagascar SARL**	MGA	-	(36.79)	-
4.	Rolling Hills Resources LLC**	MNT	-	(108.25)	(5.12)
5.	Raigarh Electrodes Limited	INR	(0.21)	(1.29)	(3.05)
6.	India Flysafe Aviation Limited	INR	(96.24)	(6.74)	42.96
7.	Trishakti Real Estate Infrastructure and Developers Private Limited	INR	(0.03)	(0.03)	(0.01)
8.	Jindal Realty Private Limited	INR	(0.13)	(0.09)	(178.12)
9.	JSPL Mozambique Minerais LDA**	MZN	N.A.	(2.13)	-
10.	Eastern Solids Fuels Pty Limited^	Rand	(0.44)	2.04	(0.01)
11.	Jindal Mining Pty Limited^	Rand	(0.04)	(0.09)	(0.02)
12.	Trans Atlantic Trading Limited	USD	-	(0.33)	Negligible

* *financial year ending September 30.*
** *financial year ending December 31.*
^ *financial year ending February 28.*

34. ***We do not own the "" trademark and we are yet to receive registration of our logo "". Our ability to use the trademark, name and logo may be impaired.***

We do not own the "" trademark and logo, which is owned by JSPL. However, pursuant to a trademark license agreement dated December 23, 2009, JSPL granted a right to use this logo to us. We are not required to make any payments to JSPL for the use of the "" trademark pursuant to this trademark license agreement. We have applied for the registration of our new trademark and logo "" on December 23, 2009 and such registration is pending. If our trademark or logo are registered by a third party, we will not be able to make use of this trademark, name or logo in connection with our business and consequently, we may be unable to capitalize on the brand recognition associated with the Company. Accordingly, we may be required to invest significant resources in developing a new brand. For further details, see "***Our Business — Intellectual Property***" on page 94.

35. ***Our inability to manage growth effectively could disrupt our business and reduce our profitability.***

We expect our growth strategy will place significant challenges and demands on our management, financial and other resources and we may not be successful in expanding our business in accordance with our business plan. Our ability to successfully implement our business plan requires adequate information systems and resources and oversight from senior management. We will need to continuously develop and improve our financial, internal accounting and management controls, reporting systems and procedures as we continue to grow and expand our business.

Although we have key technical, support, engineers, and other qualified personnel, as our Company grows, we must continue to hire, train, supervise and manage new employees and develop financial, internal accounting and managerial controls, reporting systems and procedures to manage our expansion effectively. Further, our profitability is largely a function of our ability to manage our costs during the term of our PPAs and operate our power projects at optimal levels. If we are unable to manage our costs effectively or operate our power projects at optimal levels, our business prospects, financial condition and results of operations may be adversely affected.

36. ***We have experienced negative cash flows in the past. Any negative cash flows in the future would adversely affect our results of operations and financial condition.***

We had negative operating cash flows of Rs. 635.22 million in fiscal 2008 as we continued to invest in the

construction and development of our power projects and we have commenced operations for only one of our power projects.

Any negative cash flows in the future could adversely affect our results of operations and financial condition.

37. Our costs of compliance with any change in safety, health and environmental laws and regulations and the failure to comply with new safety, health and environmental laws and regulations could adversely affect our results of operations.

Our projects are subject to extensive government and environmental laws and regulations which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from the operations of our business. These laws and regulations include the Environmental Protection Act 1986, the Air (Prevention and Control of Pollution) Act 1981, the Water (Prevention and Control of Pollution) Act 1974 and other regulations promulgated by the Ministry of Environment and the Pollution Control Boards of the relevant states. In addition, some of our operations are subject to risks involving personal injury, loss of life, environmental damage and severe damage to property.

Environmental regulation of industrial activities in India may become more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental, or pollution regulations, we may be required to incur significant amounts on, among other things, environmental monitoring, pollution control equipment and emissions management. We may also be required to bear additional expenditure for establishment of additional infrastructure, such as laboratory facilities for monitoring pollution impact and effluent discharge. Such additional costs may adversely affect our results of operations. In addition, failure to comply with environmental laws may result in the assessment of penalties and fines against us by regulatory authorities. There can be no assurance that we will not become 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 could be material. Clean-up and remediation costs, as well as damages, other liabilities and related litigation, could adversely affect our business, financial condition and results of operations.

We expect to generate a considerable amount of ash in our operations. There are limited options for utilizing ash and therefore the demand for ash is currently low. While we continue to explore methods to utilize or dispose of ash, our ash utilization activities may be insufficient to dispose of the ash we expect to generate. We are subject to a Government requirement that by 2014, 100% of the fly ash produced through our generation activities must be gainfully utilized. Compliance with this requirement, as well as any future norms with respect to ash utilization, may add to our capital expenditures and operating expenses.

38. There is one criminal proceeding involving one of our independent Directors.

There is a criminal proceeding involving one of our independent Directors, Mr. Pradeep Kumar Tripathi in relation to alleged offences under sections 417 and 420 of the Indian Penal Code. For further details of the case mentioned above, see "***Outstanding Litigation and Material Developments***" on page 207.

39. Our Company is involved in certain legal and other proceedings in India and may face liabilities as a result.

We are involved in legal proceedings and claims in India. 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 favour. Any adverse decision may have a significant adverse effect on our business and results of operations.

Our outstanding legal proceedings and the amounts claimed in these proceedings have been disclosed to the extent ascertainable below:

(Rs. in million, unless stated otherwise)

Nature of Proceeding	Number of Cases	Amount
Civil cases	2	Not ascertainable
FEMA	1	No demand raised
Total	**3**	**-**

Also, we have from time to time initiated legal proceedings relating to their business and operations. For further details of outstanding litigation against us, please see "***Outstanding Litigation and other Material Developments***" on page 207 of this Draft Red Herring Prospectus.

40. Some of our Directors, Promoters and Group Companies are party to various legal proceedings that, if determined against them, could have a material adverse impact on our financial condition and results of operations.

Some of our Directors, Promoters and our Group Companies are party to various legal proceedings.

Directors

(Rs. in million, unless stated otherwise)

S. No.	Nature of Proceeding	Number of Cases	Amount
1.	Criminal	1	Not ascertainable
2.	Income Tax	1	0.17
3.	Litigation relating to property	18	Not ascertainable
4.	CESTAT Cases	1	Not ascertainable
5.	Other Civil Cases	1	Not ascertainable
	Total	**22**	**0.17**

Promoters:

The outstanding legal proceedings and the amounts claimed in these proceedings have been disclosed to the extent ascertainable below:

(Rs. in million, unless stated otherwise)

S. No.	Name of the Group Company	Nature of the litigation	No. of outstanding litigations	Aggregate approximate amount involved
1.	Jindal Steel & Power Limited	Income Tax	6	1,098.10
		Fringe Benefit Tax	1	8.54
		Competition Act	1	Not ascertainable
		Excise	56	2,468.33
		Royalty	6	76.33
		Railway Penalty	7	4.80
		Environment	2	Not ascertainable
		Labour and employment	3	0.75
		Litigation relating to property	13	Not ascertainable
		Gram panchayat/local body	1	0.67
		Sales tax and entry tax	5	8.54
		Recovery	5	21.33
		Other civil	10	900.33
		Criminal	6	28.61
2.	Opelina Finance and Investment Limited	Income Tax	1	0.60
	Total		**123**	**4,616.93**

Group Companies:

Our outstanding legal proceedings and the amounts claimed in these proceedings have been disclosed to the extent ascertainable below:

(Rs. in million, unless stated otherwise)

S. No.	Name of the Group Company	Nature of the litigation	No. of outstanding litigations	Aggregate approximate amount involved
1.	NSPL	Litigation relating to property	1	3.35
		Income Tax	2	-
		Sales Tax	2	269.49
		Excise	7	92.51
		Civil	3	29.70
2.	Jindal Steel Bolivia	Arbitration	1	USD 3.16 million
3.	Jindal Realty Private Limited	Income Tax	2	8.17
		Litigation relating to property	11	22.06
		Criminal cases	1	-
4.	Raigarh Electrodes Limited	Excise	1	3.28
5.	Abhinandan Investments Limited	Income Tax	4	52.74
6.	Nalwa Investments Limited	Income Tax	9	60.57
7.	India Flysafe Aviation	Income Tax	2	2.18
	Total		**46**	**544.05 & USD 3.16 million**

Also, our Promoters and our Group Companies have from time to time initiated legal proceedings relating to their business and operations.

For further details of outstanding litigation against our Directors, our Promoters and our Group Companies, please see "***Outstanding Litigation and other Material Developments***" on page 207.

41. We expect to receive certain tax benefit, which may not be available to us in the future and if such tax benefits become unavailable, our business, financial condition and results of operations could be adversely affected.

In accordance with and subject to the condition specified in Section 80 IA of the I.T. Act, 1961, we are entitled to certain benefits for our operational Tamnar I Project and would be entitled to deduction of 100% of profits derived from the generation, distribution or transmission of power for any 10 consecutive assessment years out of 15 years beginning from the year in which the undertaking generated power or commences transmission or distribution of power before March 31, 2010. As such, we may not be eligible to receive the tax benefits for future projects that are commissioned after the designated date. We cannot assure you that the Government 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 adversely affected.

42. Our management will have flexibility in applying the Net Proceeds received from the Issue.

We intend to use the Net Proceeds that we receive from the Issue for the purposes described in "***Objects of the Issue***" on page 33. Our management may determine that it is appropriate to revise our estimated costs, fund requirements and deployment schedule owing to certain factors. Further, in the event of any shortfall of funds for any of the Identified Projects, we may decided to reallocate the Net Proceeds from other projects within the Identified Projects to the projects where such shortfall has arisen.

Pending utilization of the Net Proceeds of the Issue and other financings, we intend to invest such Net Proceeds in interest-bearing liquid instruments including money market mutual funds, bank deposits as approved by our Board of Directors. Although the utilization of the net proceeds from the Issue and other financings will be monitored by the Board of Directors and the Monitoring Agency, there are no limitations on interim investments that we can make using such Net Proceeds. In addition, Rs. [●] million has been allocated to general corporate purposes and will be used at the discretion of the management.

43. We have not placed orders or entered into contracts for the full requirement of plant and machinery for our Identified Projects and any difficulties in entering into such contracts or placing such orders may delay the implementation of the Identified Projects.

We intend to use the Net Proceeds of the Issue to partially finance the construction and development of the Identified Projects. Our estimated costs for the boiler, turbine and generator ("BTG") and mechanical, electrical and civil works ("Balance of Plant") for these projects are set forth in the table below:

Name of Project	Estimated Total Cost (Rs. in million)	BTG and Balance of Plant Cost (including transmission line)		Contracts/ orders as of November 30, 2009	
		(Rs. in million)	%	(Rs. Million)	%
Tamnar II Project	134,100.38	83,110.00	61.98	51,096.81	61.48
Dumka Project	72,240.00	51,521.50	71.32	Nil	Nil
Godda Project	36,660.00	25,706.75	70.12	Nil	Nil

Any delay in placing orders or entering into contracts in respect of the Identified Projects may delay our implementation schedule for these projects. Such delays may also lead to increase in the price of such equipments, further affecting our results of operations and business prospects.

44. Our ability to pay dividends in the future will depend upon our future earnings and restrictive covenants in our financing arrangements.

Our future ability to pay dividends will depend on our earnings, financial condition and capital requirements and the earnings, financial condition and capital requirements of our Subsidiaries. Dividend distributed by our Subsidiaries will attract dividend distribution tax at rates applicable from time to time. We cannot assure you that we will receive dividends from our subsidiaries sufficient to cover our operating expenses and pay dividends to our shareholders, or at all. Our business is capital intensive and we may plan to make additional capital expenditures to complete the power projects that we are developing, or to develop new projects. Our ability to pay dividends is also restricted under certain financing arrangements that we have entered into and expect to enter into. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements for the power projects, financial condition and results of operations.

45. Our financing arrangements may contain restrictive covenants which could adversely impact our ability to conduct our business operations and adversely affect our results of operations.

The indebtedness incurred and the restrictions imposed on us by our current or future loan arrangements could adversely impact our ability to conduct our business operations and result in other significant adverse consequences, including, but not limited to, the following:

- we may be required to obtain approval from our lenders regarding, among other things, any amalgamation or merger, incurrence of additional indebtedness, disposition of assets and expansion of our business, change in capital structure, change in management, payment of dividends, modification in any project documents. We cannot assure investors that we will receive such approvals in a timely manner or at all.

- we may be required to maintain certain financial ratios. If we breach any financial or other covenants contained in any of our financing arrangements, we may be required to immediately repay our

borrowings either in whole or in part, together with any related costs. Furthermore, certain of our financing arrangements may contain cross default provisions which could automatically trigger defaults under other financing arrangements. Additionally, because some of our borrowings are secured against our assets, our lenders may be able to sell those assets to enforce their claims for repayment.

- we may be required to dedicate a significant portion of our cash flow towards repayment of our existing debt, which will reduce the availability of cash flow to fund working capital, capital expenditures, acquisitions and other general corporate requirement and increase our project cost as we capitalize our interest during the construction of our power facilities.

- our ability to obtain additional financing through debt or equity instruments in the future and to acquire assets (including any shares, debentures or partnership interest), or make certain investments may be impaired which may increase our vulnerability to general adverse economic, industry and competitive conditions and limit our flexibility in planning for, or reacting to, changes in our business and the industry;

- our ability to enter into any partnership, profit-sharing, royalty agreement or other similar agreements; or enter into management contracts or other similar arrangements may be impaired;

Further, some of our loans are granted for specific projects and we may not be able to utilize the sanctioned amounts for other purposes, including meeting the requirements of any other project. Additionally, we have availed of unsecured loans and such loans may be recalled by the lenders at any time. For details see "***Financial Indebtedness***" on page 183. Our ability to meet our debt service obligations and to repay our outstanding borrowings will depend primarily upon the cash flow generated by our business over time, as well as our ability to tap the capital markets as a source of capital. We cannot assure you that we will generate sufficient cash to enable us to service our existing or future borrowings, comply with covenants or fund other liquidity needs. If we fail to meet our debt service obligations or financial covenants required under the financing documents, the relevant lenders could declare us in default under the terms of our borrowings, accelerate the maturity of our obligations or take over the financed power project. We cannot assure you that, in the event of any such acceleration, we will have sufficient resources to repay these borrowings. Failure to meet our obligations under the debt financing arrangements could have a material adverse effect on our cash flows, business and results of operations.

Future debt financing, if available, may result in increased finance charges, increased financial leverage, decreased income available to fund further acquisitions and expansions, decreased working capital and the imposition of restrictive covenants on our business and operations. Our planned and any proposed future expansions and projects may be materially and adversely affected if we are unable to obtain funding for such capital expenditures on satisfactory terms, or at all, including as a result of any of our existing facilities becoming repayable before its due date.

46. Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition. Our failure to successfully adopt IFRS effective from April 2011 could have a material adverse effect on our stock price.

Our financial statements, including the financial statements provided in this Draft Red Herring Prospectus are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. Each of U.S. GAAP and IFRS differs in significant respects from Indian GAAP. For further details, see "Financial Statements - Summary of Significant Differences between Indian GAAP, IFRS and US GAAP". 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.

The Institute of Chartered Accountants of India, the accounting body that regulates the accounting firms in India, has announced a road map for the adoption of, and convergence with the IFRS pursuant to which all public companies in India will be required to prepare their annual and interim financial statements under IFRS beginning with fiscal period commencing April 1, 2011. Because there is significant lack of clarity on the adoption of and convergence with IFRS and there is not yet a significant body of established practice on which to draw in forming judgments regarding its implementation and application, we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IFRS than under Indian GAAP. As we transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements. There can be no assurance that our adoption of IFRS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IFRS by April 2011 could have a material adverse effect on our stock price.

47. The requirements of being a listed company may strain our resources and distract management.

We have no experience as a listed company and have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the listing agreements with the Stock Exchanges which requires us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as timely as other listed companies.

As a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge and we cannot assure you that we will be able to do so in a timely manner.

RISKS RELATING TO THIS ISSUE AND INVESTMENT IN OUR EQUITY SHARES

48. We have in the last 12 months issued Equity Shares at a price that could be lower than the Issue Price.

We have in the last twelve months prior to filing this Draft Red Herring Prospectus, issued Equity Shares at a price that could be lower than the Issue Price. For further details regarding such issuances of Equity Shares, please see the section titled "***Capital Structure***" on page 25.

49. After this Issue, our Equity Shares may experience price and volume fluctuations or an active trading market for our Equity Shares may not develop.

The price of the Equity Shares may fluctuate after this Issue as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, developments in the Indian power sector and changing perceptions in the market about investments in the Indian power sector, adverse media reports on us or the Indian power sector, changes in

the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalization and deregulation policies, and significant developments in India's fiscal regulations.

There has been no recent public market for the Equity Shares prior to this Issue and an active trading market for the Equity Shares may not develop or be sustained after this Issue. Further, the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

50. Any future issuance of Equity Shares may dilute prospective investors' shareholding and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.

Purchasers of our Equity Shares will experience an immediate dilution in net tangible book value per share from the initial public offering price per Equity Share. After giving effect to the issuance of [•] Equity Shares in this Issue, and following the deduction of estimated offering expenses payable by us and the application of the Net Proceeds of the Issue, our pro forma as adjusted net tangible book value as of June 30, 2009, would have been Rs. [•] million, or Rs. [•] per Equity Share. This represents an immediate dilution in pro forma net tangible book value of Rs. [•] per Equity Share to new investors purchasing Equity Shares in this Issue. Substantial sales of our Equity Shares in the public market may cause our share price to fall in the future.

Upon consummation of this Issue, we will have [•] Equity Shares outstanding. Upon completion of this Issue, our existing shareholders will beneficially own [•] Equity Shares, which will represent approximately [•]% of our outstanding Equity Share capital. The holders of approximately [•] Equity Shares, representing approximately [•]% of our post-Issue outstanding Equity Share capital, will be entitled to dispose of their Equity Shares following the expiration of a one-year statutory "lockup" period.

Any future equity issuances by us, including in a primary offering or pursuant to a preferential allotment or issuances of stock options under employee stock option plans, or any perception by investors that such issuances or sales might occur may lead to the dilution of investor shareholding in our Company or affect the trading price of the Equity Shares and could affect our ability to raise capital through an offering of our securities.

51. There is no assurance that the Equity Shares will be listed on the BSE and the NSE in a timely manner or at all, and any trading closures at the BSE and the NSE may adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. Approval requires all other relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE and the NSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

52. You will not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Issue until the Issue receives the appropriate trading approvals.

Our Equity Shares will be listed on the NSE and the BSE. 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 days of the date on which the basis of allotment is approved by NSE and the BSE. Thereafter, upon receipt of final approval from the NSE and the BSE, trading in the Equity Shares is expected to commence within seven working days of the date on which the basis of allotment is approved by the Designated Stock Exchange. While the corporate action for crediting the Equity Shares will be done within two days of approving the basis of allotment, we cannot assure you that the Equity Shares will be credited to investors'

demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above. Any delay in obtaining the approvals would restrict your ability to dispose of your Equity Shares.

53. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

Subsequent to listing, we will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India which does not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

54. 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. The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as 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, disputes have occurred on occasion between listed companies and the Indian stock exchanges, and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

RISKS RELATED TO OUR INDUSTRY

55. Our flexibility in managing our operations is limited by the regulatory environment in which we operate.

The infrastructure sector in India, particularly in relation to the power industry, is highly regulated. Our business is regulated by various authorities, including the Ministry of Power, State Governments and the Government of India. In addition to complying with regulations and directives, we are also required to adhere to the terms of our PPAs. Any material breach of these agreements, or any adverse change in the applicable regulations, could have an adverse effect on our financial results and business prospects. Further, for our power projects, we may be restricted in our ability to, among other things, increase prices, sell our interests to third parties, undertake expansions and contract with customers. These restrictions may limit our flexibility in operating our business.

To conduct our power business, we must obtain various licences, permits and approvals. Even when we obtain the required licences, permits and approvals, our operations are subject to continued review and the governing regulations and their implementation are subject to change. We cannot assure you that we will be able to obtain and comply with all necessary licences, permits and approvals required for our power projects, or that changes in the governing regulations or the methods of implementation will not occur. If we fail to comply with all applicable regulations or if the regulations governing our infrastructure development business or their implementation change, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our financial results and business prospects.

The Electricity Act of 2003 removed certain licensing requirements for thermal power generation companies, provides for open access to transmission and distribution networks and also facilitated additional capacity generation through captive power projects. These reforms provide opportunities for increased private sector participation in power generation. Specifically, the open access reform enables private power generators to sell power directly to distribution companies and, ultimately to the end consumers, enhancing the financial viability of private investment in power generation. However, we cannot envisage the future industry scenario in light of these changes, which could have a material effect on our business prospects and results of operations.

Any other change or introduction of new legislation/regulation and any review of tariff and provisions of PPA, including taxation policy, relating to power generation in the country may have an impact on our operations and financial performance. The timing and content of any new law or regulation is not in our control and such new law or regulation could have an adverse effect on our business, results of operations and financial condition.

56. We face significant competition as a result of deregulation in the Indian power sector which could result in an adverse effect on our business prospects, financial condition and results of operations.

We operate in an increasingly competitive environment. This is particularly the case because of the deregulation of the Indian power sector and increased private sector investment. The Electricity Act of 2003 removed certain licensing requirements for thermal power generation companies, provides for open access to transmission and distribution networks and also facilitated additional capacity generation through captive power projects. These reforms provide opportunities for increased private sector participation in power generation. Specifically, the open access reform enables private power generators to sell power directly to distribution companies and, ultimately to the end consumers, enhancing the financial viability of private investment in power generation. As a result, we may have to compete with other Indian and international power companies. We may also have to compete with central and state power utilities. Competitive bidding for power procurement further increases the competition among the power generators. Our competitors may have greater resources than we do and may be able to achieve better economies of scale, allowing them to bid at more competitive rates. We may face the pressure of decreased margins due to such competition. We cannot assure you that we will be able to compete effectively, and our failure to do so could result in an adverse effect on our business prospects, financial condition and results of operations.

57. Activities in the power generation business can cause injury to people or property in certain circumstances which could subject us to significant disruptions in business, legal and regulatory actions.

The power generation business requires our employees to work under potentially hazardous circumstances, including with highly flammable and explosive materials. Despite compliance with requisite safety requirements and standards, the operations of power generation businesses are subject to certain risks. If improperly handled or subjected to unsuitable conditions, these materials could injure our employees or other persons, damage our and others' property and/or harm the environment. In the event that any calamity takes place, we may be liable for certain costs related to hazardous materials, including cost for health related claims, or removal or treatment of such substances, including claims and litigation from our current or former employees or other persons for injuries arising from exposure to materials or other hazards at the power plants. This could subject us to significant disruption in our business, as well as legal and regulatory actions, which could adversely affect the business, financial condition and results of operations.

58. Seasonality and inclement weather conditions may have an adverse impact on our business.

Our business operations may be adversely affected by severe weather conditions, which may require the evacuation of personnel, suspension or curtailment of operations, result in damage to construction sites or delays in the delivery of materials. Collectively, the effect may be to cause delays to our contract schedules and generally reduce our productivity. Our business may also be affected by during the summer months and monsoon seasons due to fluctuations in tariffs and difficult working conditions that restrict our ability to carry on construction activities and fully utilize our resources. Further, some of our prospective power consumers may have businesses which are seasonal in nature and a downturn in demand for power by such

consumers could reduce our revenues during such periods. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses, but our income from operations may be delayed or reduced.

59. The extent and reliability of Indian infrastructure could adversely affect our results of operations and financial condition.

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our business operations, which could have an adverse effect on our results of operations and financial condition.

Risks Relating to India

60. Political, economic and social developments in India could adversely affect our business.

The Central and State Governments serve multiple roles in the Indian economy, including as producers, consumers and regulators, which have significant influence on the power industry and us. Economic liberalisation policies have encouraged private investment in the power sector, and changes in these governmental policies could have a significant impact on the business and economic conditions in India in general and the power sector in particular, which in turn could adversely affect our business, future financial condition and results of operations.

Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares.

***61. Terrorist attacks, civil unrest and other acts of violence or war involving India and other* countries could adversely affect the financial markets and our business.**

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, make travel and other services more difficult and ultimately adversely affect our business.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

62. Depreciation of the Rupee against foreign currencies may have an adverse effect on our results of operations.

While a substantial portion of our revenues is and will be denominated in Rupees, we expect to incur indebtedness denominated in foreign currencies to finance the development of our power projects and joint ventures. We are exposed to foreign exchange rate risk on the imported components of the BTG packages. We currently do not hedge against this foreign currency exchange rate risk. We may in the future bear the exchange rate risk for any imported equipment or raw material. Accordingly, any depreciation of the Rupee against these currencies will significantly increase the Rupee cost to us of servicing and repaying our foreign currency payables. See "***Presentation of Financial, Industry and Market Data – Exchange Rates***" on page x.

63. Difficult conditions in the global capital markets and a slowdown in economic growth in India or financial instability in Indian financial markets have affected and may continue to our business and results of operations.

The power industry is significantly affected by changes in government policies, economic conditions, demographic trends, employment and income levels and interest rates, among other factors. Economic developments outside India have adversely affected the markets in which we operate and our overall business. As widely reported, financial markets in the United States, Europe and Asia, including India, have experienced extreme disruption in the recent past, including, among other things, extreme volatility in security prices, severely diminished liquidity and credit availability, rating downgrades of certain investments and declining valuations of others. These and other related events, such as the collapse of a number of financial institutions, have had and continue to have a significant adverse impact on the availability of credit and the confidence of the financial markets, globally as well as in India. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general.

The performance, quality and growth of our business are dependent on the health of the overall Indian economy. The rate of growth of India's economy and of the demand for power and infrastructure services in India may not be as high, or may not be sustained for as long, as we have anticipated. During periods of robust economic growth, demand for such services may grow at rates as great as, or even greater than, that of the gross domestic product. On the other hand, during periods of slow growth, such demand may exhibit slow or even negative growth. There can be no assurance that future fluctuations of the economic or business cycle, or other events that could influence the gross domestic product, will not have an adverse effect on our financial results and business prospects, as well as the price of our Equity Shares.

In addition, if there is a tightening of credit in the financial markets in the future, financing for our hydroelectric projects under implementation and our projects under planning may not be available on commercially acceptable terms and as a result, we may experience serious cash flow problems and the implementation and planning of our projects may be delayed. Uncertainty and adverse changes in the economy could also increase costs associated with our projects in a number of ways, including increased costs of fuel or construction materials, and increase our exposure to material losses from our investments. Additionally, the price of our Equity Shares could decrease if investors have concerns that our business, financial condition and results of operations will be negatively impacted by a worldwide macroeconomic downturn.

64. The Indian economy has sustained varying levels of inflation in the recent past.

India has experienced very high levels of inflation during the period between 2008 and 2009, with inflation peaking at 12.91% in August 2008. However, according to the Monthly Economic Report, India experienced deflation of 0.21% in August 2009, compared to inflation of 12.76% for the same period last year (Source: http://finmin.nic.in/stats_data/monthly_economic_report/index.html). In the event of a high rate of inflation, our costs, such as salaries, price of transportation, wages, raw materials or any other of our expenses may increase. Further, we will not be able to adjust our costs or pass our costs which have been fixed along during periods of lower inflation to our customers. Accordingly, high rates of inflation in India could increase our costs, could have an adverse effect on our profitability and, if significant, on our financial condition.

65. Our ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources for our power projects under implementation or acquisitions and other strategic transactions, and hence could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required

approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have a material adverse impact on our business growth, financial condition and results of operations.

66. Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.

Foreign ownership of Indian securities is subject to Government regulation. Under foreign exchange regulations currently in effect in India, the RBI must approve the sale of the Equity Shares from a non resident of India to a resident of India if the sale does not meet the requirements of a RBI Circular dated October 4, 2004. The RBI must approve the conversion of the Rupee proceeds from any such sale into foreign currency and repatriation of that foreign currency from India unless the sale is made on a stock exchange in India through a stock broker at the market price. As provided in the foreign exchange controls currently in effect in India, the RBI will approve the price at which the Equity Shares are transferred based on a specified formula, and a higher price per share may not be permitted. The approval from the RBI or any other government agency may not be obtained on terms favourable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increases or limiting losses during periods of price declines.

67. Any downgrading of India's debt rating by an independent agency may harm our ability to raise debt financing.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our capital expenditure plans, business and financial performance.

68. Our business and activities will be regulated by the Competition Act, 2002.

The Indian Parliament has enacted the Competition Act, 2002 (the "Competition Act") for the purpose of preventing business practices that have an appreciable adverse effect on competition in India under the auspices of the Competition Commission of India, which (other than for certain provisions relating to the regulation of combinations) has recently become effective. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether or not formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and attracts substantial monetary penalties. Any agreement which directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area or market or number of customers in the market is presumed to have an appreciable adverse effect on competition. The effect of the Competition Act and the Competition Commission of India on the business environment in India is as yet unclear. Any application of the Competition Act to us may be unfavourable and may have a material adverse effect on our business, financial condition and results of operations.

69. It may not be possible for you to enforce any judgment obtained outside India, including in the United States, against our Company or any of our affiliates in India, except by way of a suit in India on such judgment.

We are incorporated under the laws of India and all of our Directors and executive officers reside in India. Furthermore, all of our Company's assets are located in India. As a result, you may be unable to:

- effect service of process in jurisdictions outside India, including in the United States, upon our Company; or

- enforce in Indian courts judgments obtained in courts of jurisdictions outside India against our Company, including judgments predicated upon the civil liability provisions of the securities laws of jurisdictions outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908, as amended, (the "Civil Code"). The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in a non-reciprocating territory, such as the United States, for civil liability, whether or not predicated solely upon the general securities laws of the United States, would not be enforceable in India under the Civil Code as a decree of an Indian court.

However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court would award damages to the extent awarded in a final judgment rendered outside India if it believed that the amount of damages awarded were excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered.

70. Natural calamities could have a negative effect on the Indian economy, adversely affecting our business and the price of our Equity Shares.

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their effect on the Indian economy. For example, as a result of drought conditions in the country during fiscal 2003, the agricultural sector recorded negative growth for that period. The erratic progress of the monsoon in 2004 and 2009 affected sowing operations for certain crops. Further prolonged spells of below normal rainfall or other natural calamities could have a negative effect on the Indian economy, adversely affecting our business and the price of our Equity Shares.

Pandemic disease, caused by a virus such as H5N1 the ("avian flu" virus) or H1N1 (the "swine flu" virus), could have a severe adverse effect on our business. The potential impact of such a pandemic on our results of operations and financial position is highly speculative, and would depend on numerous factors, including: the probability of the virus mutating to a form that can be passed from human to human; the rate of contagion if and when that occurs; the regions of the world most affected; the effectiveness of treatment of the infected population; the rates of mortality among various segments of the insured versus the uninsured population; our insurance coverage and related exclusions; the possible macroeconomic effects of a pandemic on our asset portfolio; the effect on lapses and surrenders of existing policies, as well as sales of new policies; and many other variables.

Prominent Notes:

- Public Issue of [●] Equity Shares of Rs. 10 each for cash at a price of Rs. [●] per Equity Share of the Company aggregating Rs. 72,000 million. The Issue comprises a Net Issue to the Public of [●] Equity Shares and a reservation of [●] Equity Shares for subscription by Eligible Employees. The Issue would constitute [●]% of the post Issue paid up capital of our Company. The Net Issue would constitute [●]% of the post Issue paid up capital of the Company.

- The net worth of our Company as of June 30, 2009 as per standalone and consolidated financial statements included in this Draft Red Herring Prospectus were Rs. 31,110.51 million and Rs. 31,109.46 million, respectively.

- The net asset value per Equity Share as of June 30, 2009 was Rs. 35.85 as per our restated consolidated and unconsolidated financial statements.

- The average cost of acquisition of Equity Shares of the Company by our Promoters is as follows:

(i) Jindal Steel & Power Limited ("**JSPL**") – Rs. 6.67 per Equity Share;
(ii) Gagan Infraenergy Limited ("**Gagan Infraenergy**") – Rs. 6.67 per Equity Share; and
(iii) Opelina Finance and Investment Limited ("**Opelina**") – Rs. 66.83 per Equity Share.

- For details of Group Companies having any business interests or other interests in our Company, see "***Related Party Transactions***" on page F47.

- The details of transactions by our Company with our Group Companies or Subsidiaries during the last year including the nature and cumulative value of the transactions, are as follows:

(Rs. in million)

Nature	Period	Category		
		Associate Company	**Holding Company**	**Subsidiary**
Advance against Share application money	As on June 30, 2009		-	755.00
	As on March 31,2009		-	5.00
Advance against share application money/shares purchase	For the period ended June 30, 2009		-	825.10
	For the year Ended March 31,2009		-	616.47
Creditors	As on June 30, 2009	-	45.70	
	As on March 31,2009	-	19.66	
Debtors	As on June 30, 2009	-	449.20	42.50
	As on March 31,2009	0.40	324.10	-
Inter Corporate Deposit	As on June 30, 2009		3,241.29	
	As on March 31,2009		396.29	
Inter Corporate Deposit Given	For the period ended June 30, 2009		4,185.00	
	For the year Ended March 31,2009		17,155.79	
Inter Corporate deposit refunded	For the period ended June 30, 2009		1,340.00	
	For the year Ended March 31,2009		16,759.50	
Interest Income	For the period ended June 30, 2009		21.51	
	For the year Ended March 31,2009		284.80	
Loan & Advances Receivable	As on June 30, 2009		-	-
	As on March 31,2009		4,025.20	0.18
Loans / Advances Given for Capital Purchases/Services & Others	For the period ended June 30, 2009		-	
	For the year Ended March 31,2009		4,025.20	
Payment made for capital purchase/services	For the period ended June 30, 2009	-	6.60	
	For the year Ended March 31,2009	61.60	65.80	
Purchase –Capital & Other Goods	For the period ended June			

Nature	Period	Category		
		Associate Company	Holding Company	Subsidiary
	30, 2009	-	33.20	
	For the year Ended March 31,2009	56.35	64.70	
Recovery of expenses incurred	For the period ended June 30, 2009		0.62	-
	For the year Ended March 31,2009		3.90	0.40
Reimbursement of expenses incurred	For the period ended June 30, 2009		0.10	0.78
	For the year Ended March 31,2009		12.84	0.60
Sale of Power	For the period ended June 30, 2009		394.91	42.70
	For the year Ended March 31,2009		596.73	-
Sale-Scrap	For the period ended June 30, 2009	-	-	
	For the year Ended March 31,2009	2.47	0.20	
Technical services	For the period ended June 30, 2009		-	
	For the year Ended March 31,2009		110.30	

- There has been no change in the name of the Company since its inception.
- There has been no financing arrangement whereby the Promoter Group, the Directors of the Company and the directors of JSPL, Gagan Infraenergy and Opelina, our Promoters and their relatives have financed the purchase by any other person of securities of the Company other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus with SEBI.
- The Investors may contact any of the BRLMs or the CBRLM who have submitted the due diligence certificate to SEBI, for any complaint pertaining to the Issue.

SECTION III - INTRODUCTION

SUMMARY OF INDUSTRY

The information in this section has been extracted from publicly available documents prepared by various third party sources, including the Government of India and its various ministries and certain multilateral institutions. This data has not been prepared or independently verified by us or the BRLMs or any of their respective affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled "Risk Factors" in this Draft Red Herring Prospectus. Accordingly, investment decisions should not be based on such information.

Overview of the Indian Economy and the Indian Power Industry

According to the Reserve Bank of India's Handbook of Statistics on the Indian Economy 2008-2009 dated September 15, 2009, India, with a population of over 1.15 billion people, had a Gross Domestic Product ("GDP") of approximately Rs.33,393.75 billion in 2008.

According to the RBI's Macroeconomic and Monetary Developments Second Quarter Review 2009-10 dated October 26, 2009, India is one of the fastest growing large economies in the world with a GDP growth of 6.7% in fiscal 2009, 6.1% in the first quarter of fiscal 2010 and an expected growth in GDP of 6.0% in fiscal 2010. The decrease in growth is mainly due to the global economic contraction and deterioration in the global financial markets. According to the estimates released in May 2009 by the Central Statistical Organisation ("CSO"), India's GDP during the fourth quarter of 2008-2009 grew at a rate of 5.8% compared to 8.6% in the corresponding quarter in the preceding year.

The power sector has been recognized by the GoI as a key infrastructure sector to sustain the growth of the Indian economy. As per the projections of investment in infrastructure during the 11th Plan, the power sector is expected to attract 30.4% of the total $581.68 billion projected investment in infrastructure during the 11th Plan.

The low per capita consumption of electric power in India compared to the world average presents a significant potential for sustainable growth in the demand for electric power in India. According to the 17th Electric Power Survey, May 2007 ("EPS"), India's peak demand is expected to grow at a CAGR of 7.6% over a period of 10 years (FY2007 to FY2017) and would require a generating capacity of 300,000 MW by 2017 to cater to this demand compared to an installed capacity of 132,329 MW as on March 31, 2007.

Historically, India has experienced shortages in energy and peak power requirements. Energy deficit averaged 8.9% and the peak power deficit averaged 12.8% during Fiscal 2003 to Fiscal 2009. Accordingly to the CEA Monthly Power Sector Report for October 2009 (the "CEA October 2009 Report"), the total energy deficit and peak power deficit from April 2009 to October 2009 was approximately 9.4% and 12.1% respectively.

The shortages in energy and peak power have been primarily due to the slow pace of capacity addition. During the 10th plan period (Fiscal 2002 to Fiscal 2007), capacity addition achieved compared to target capacity addition was 51.5%. During the 11th plan period (Fiscal 2008 to Fiscal 2012), capacity addition achieved was 9,263.0 MW or 56.7% of the target capacity addition of 16,335.2 MW in Fiscal 2008, while in Fiscal 2009, capacity addition achieved was 3,453.7 MW, or 31.2% of the target capacity addition of 11,061.2 MW.

According to CEA October 2009 Report, as on October 31, 2009, the total installed power generation capacity in India was 153,694.09 MW. State Electricity Boards accounted for 50.8% and Central Public Sector Units accounted for 32.3% of that total installed power generation capacity. The participation from the private sector is comparatively small at 16.9%.

Currently, the Indian generation sector uses all available fuel options and conventional, non-conventional and emerging power generation technologies. Thermal power plants powered by coal, gas, naphtha and oil accounted for approximately 64.7%, hydro electric plants accounted for 24%, nuclear power plants accounted for 2.7% and renewable energy sources accounted for approximately 8.7% as on October 31, 2009.

Merchant power plants ("MPPs"), generate electricity for sale in the open wholesale market. Typically MPPs, do not have long-term PPAs and are generally built and owned by private developers at their own cost. Merchant power plants are a product of the restructuring of the electricity industry.

National Electricity Plan (April 2007) estimates that approximately 10,000 to 12,000 MW capacity will be developed through this initiative. National Electricity Plan (April 2007) believes capacity addition through this route would further contribute to better economic growth, better reliability of power, more spinning reserves and most importantly would promote creation of competition in the electricity market.

The GoI finalized the National Tariff Policy ("NTP"), on January 6, 2006, as amended on March 31, 2008. One of the main objectives of the NTP is to promote competition, efficiency in operations and improvement in quality of supply and ensure availability of electricity to consumers at reasonable and competitive rates. The NTP requires that all future power procurement needs should be procured competitively by distribution licensees except in cases of expansion of existing projects or where there is a state controlled or state-owned developer involved, in which case, regulators will need to resort to tariff determination based on norms. Even for the public sector projects, tariffs of all new generation and transmission projects should be decided on the basis of competitive bidding after a period of five years or when CERC is satisfied that the situation is ripe to introduce such competition.

In India, the transmission and distribution system is a three-tier structure comprising regional grids, state grids and distribution networks. Most interstate transmission links are owned and operated by the Power Grid Corporation of India Limited, or PGCIL, though some are owned by the State Electricity Boards, or SEBs. In addition, PGCIL owns and operates many inter-regional transmission lines (which are a part of the national grid) to facilitate transfer of power from a region of surplus to one with deficit. State grids and distribution networks are primarily owned and operated by the respective SEBs or state governments (through state electricity departments).

To improve the distribution of power, the GoI has formulated the Accelerated Power Development Reform Programme ("APDRP"). The objectives of this programme are to improve the financial viability of state power utilities, reduce AT&C to around 10%, improve customer satisfaction and increase the reliability and quality of the power supply.

Historically the main suppliers and consumers of bulk power in India have been the various government controlled generation and distribution companies who typically contracted power on a long-term basis by way of PPAs with regulated tariffs. However in order to encourage entry of IPPs and private sector investment in the power sector, The Electricity Act, 2003 recognized power trading as a distinct activity from generation, transmission and distribution and has facilitated the development of a trading market for electricity in India by providing for open access to transmission networks for normative charges.

SUMMARY OF OUR BUSINESS

Overview

We are an established power generation company with a fully operational thermal power project of 1,000 MW installed generation capacity since September 2008, three thermal power projects and three hydroelectric projects under various stages of implementation with an aggregate installed generation capacity of 10,480 MW, and two thermal power projects and one hydroelectric project under various stages of planning with an aggregate installed generation capacity of 4,180 MW. Our 1,000 MW coal based power project at Tamnar in district Raigarh, Chhattisgarh ("Tamnar I Project") was the first power plant to achieve 'mega' power project status in the private sector in India. Two of our projects under implementation in Jharkhand and one of our projects under planning in Odisha were previously being developed by JSPL but are in the process of being assigned to us, subject to certain regulatory approvals. Our Tamnar I Project and a majority of our thermal power projects under implementation have well established fuel supplies from captive coal mines owned and/or operated either by us, or JSPL, one of our Promoters, or Shresth Mining and Metals Private Limited ("SMMPL"), one of our Group Companies. We seek to become a leading power company in the Indian power sector by operating and implementing projects which use a wide range of fuel sources, including renewable energy sources and having a presence across the value chain of the power sector, from power generation to power trading. We intend to capitalize on emerging opportunities in the Indian power sector, which are being driven by the demand and supply imbalance in India. According to Power Scenario at a Glance, October 2009 (CEA), the total energy deficit and peak power deficit during April to October 2009 was approximately 9.4% and 12.1%, respectively.

We commenced the commercial operation of the first 250 MW unit of our Tamnar I Project in December 2007. With the commencement of commercial operations of the remaining three 250 MW units of our Tamnar I Project in fiscal 2009, our unconsolidated total income increased from Rs. 1,258.65 million in fiscal 2008 to Rs. 33,142.64 million in fiscal 2009. Our employee base increased from 364 employees in fiscal 2008 to 596 employees in fiscal 2009. We are a subsidiary of JSPL which is engaged in the manufacture of steel and captive power generation with a total income of Rs. 77,994.30 million for the year ended March 31, 2009. JSPL has been operating since 1998, is listed on the BSE and the NSE and had more than 5,772 employees as of March 31, 2009. As a subsidiary of JSPL, we benefit from group synergies, including access to talent, competitive commercial terms and critical equipment and supplies and technical expertise and knowledge. JSPL has indicated to us that all future independent power generation projects in India to be undertaken by JSPL will be developed by our Company.

Our Tamnar I Project commenced full commercial operations in September 2008. It is a fully integrated project with captive coal mines where coal is transported through a 6.9 km pipe conveyor belt built by us and power is evacuated through a 258 km long 400 kV double circuit dedicated transmission line built by us to the national power grid. We excavated approximately 4.89 million tons of coal in Fiscal 2009 and have approval to mine up to 6.25 million tons in Fiscal 2010. The Tamnar I Project has its own pipeline and a 18 meter high dam at the Kurket river to transport the water to, and store the water at Tamnar I Project. We are also operating and maintaining the project internally. The project has been operating efficiently, with a PLF of 84.40% during the year ended March 31, 2009 and a PLF of 95.74% during the three months ended June 30, 2009. We currently sell power produced by this project through bilateral power purchase arrangements and power exchanges to state-owned utilities and power distribution and trading companies. We believe our strategy of selling power through arrangements of varying durations and terms helps us respond quickly to market conditions and benefit from the favourable demand and supply dynamics of the Indian power sector. We believe this enabled us in achieving robust profitability during fiscal 2009 and the three months ended June 30, 2009.

We plan to leverage our experience from commissioning and operating the Tamnar I Project to implement a 2,400 MW coal based power project at Tamnar ("Tamnar II Project") adjacent to the Tamnar I Project. This 4x600 MW project is in an advanced stage of implementation. In addition to the Tamnar II Project, we expect to commission two additional thermal power projects and three hydroelectric projects with an aggregate installed generation capacity of 8,080 MW that are under various stages of implementation, which include a 1,320 MW coal based power project in Dumka, Jharkhand ("Dumka Project"), a 660 MW coal based power project in Godda, Jharkhand ("Godda Project"), a 4,000 MW hydroelectric power project in Etalin, Arunachal Pradesh ("Etalin Project"), a 500 MW hydroelectric power project in Attunli, Arunachal Pradesh ("Attunli Project") and

a 1,600 MW hydroelectric power project in Subansiri Middle, Arunachal Pradesh ("Subansiri Middle Project"). The Etalin Project, the Attunli Project and the Subansiri Middle Project are being developed through joint ventures with Hydro Power Development Corporation of Arunachal Pradesh Limited (HPDCAPL). We are also planning to expand our generation capacity through the construction of a 2,640 MW thermal power project in Jharkhand ("2,640 MW Jharkhand Project"), a 1,320 MW coal based power project in Angul, Odisha ("Angul Project") and a 220 MW hydroelectric power plant in Chainpur Seti, Nepal ("Nepal Project") that are under various stages of planning. Each of these projects is strategically located to be in close proximity to fuel sources and to access high deficit power regions of India.

We intend to sell power through PPAs of varying durations and power exchanges to JSPL, state-owned utilities and power distribution and trading companies. We plan to sell power through a mix of short-term (ranging from one hour to 12 months), medium-term (ranging from one to four years) and long-term (over four years) PPAs.

Our subsidiary, Chhattisgarh Energy Trading Co. Ltd ("CETC") is engaged in power trading activities. CETC has a "Category II" license which allows us to trade power produced by third parties.

We are experienced in the operation and management of power projects. We operate and maintain our Tamnar I Project and intend to do so for our future projects.

Our Tamnar I Project's quality, environmental and safety management systems are certified to be in compliance under ISO 9001:2000, ISO 14001:2004 and OHSAS 18001:2007.

Our Strengths:

We believe that we are well positioned to capitalize on growth opportunities in the Indian power sector, due to the following:

- *We are an established power generating company*. We have been in the business of power generation since December 2007 and are an established player with our operational Tamnar I Project which is the first 'mega' power project in the private sector in India.

  We have a track record of operating power projects in an efficient manner. For example, for our Tamnar I Project, we have generated robust profitability since its first year of operation at full capacity and achieved the following performance parameters which demonstrates efficient project operation:

  - a high plant load factor, or "PLF", with an average PLF of 77.22% from the date of achieving commercial operation in December 2007 until March 2008, 84.40% from April 2008 until March 2009 and 95.74% from April 2009 until June 2009, which is within approximately 10 months of commissioning the fourth 250 MW unit of our Tamnar I Project;

  - an improving plant availability factor, with an average plant availability factor of 81.58% from the date of achieving commercial operation in December 2007 until March 2008, 92.80% from April 2008 until March 2009 and 96.13% from April 2009 until June 2009; and

  - low percentage of auxiliary power consumption of our operational power project, with an average of 9.1% from the date of achieving commercial operation in 2007 to March 31, 2009.

  We have also established infrastructure for operation of our power projects. For example, we built a 6.9 km pipe conveyor belt for transport of coal and a 258 km long 400 kV double circuit transmission line to evacuate power from our Tamnar I Project. We also built our own pipeline and a 18 meter high dam at the Kurket river to transport the water to, and store water at our Tamnar I Project. We believe that our ability to run the project efficiently helped us in achieving robust profitability during fiscal 2009 and the three months ended June 30, 2009.

- *Captive fuel tie-ups and experience in operating fuel sources.* We have been able to establish sources of fuel for our operational power project and for a majority of our projects under implementation which we believe gives us competitive advantage by enabling us to source fuel at competitive prices and reducing our exposure to fluctuations in fuel prices. The captive fuel sources also enable us to procure equipment of the necessary specifications for our projects as such specifications are dependant on the quality of coal

to be used for our projects. We operate the Gare Palma IV/2 and IV/3 captive coal mines in Chhattisgarh which currently supply coal to our Tamnar I Project. We built a 6.9 km pipe conveyor belt to transport coal from the mines to our Tamnar I Project. These coal mines have geological reserves of approximately 246 million tons, based on information provided by the Ministry of Coal, and have been leased to us for a period of 30 years by the Government of Chhattisgarh, or GoC. The Dumka Project and the Godda Project under implementation in Jharkhand, which are in the process of being assigned to us from JSPL, have been allotted the Amarkonda-Murgadangal and Jitpur captive coal blocks with approximately 205 million tons and 81 million tons geological reserves, respectively, based on information provided by the Ministry of Coal. We have excavated approximately 4.89 million tons of coal in Fiscal 2009 and JSPL has excavated approximately 6.0 million tons of coal in Fiscal 2009. We believe that our Company's and JSPL's experience in operating coal mines gives us a competitive advantage.

- *Strategic location of our power projects.* Our power projects in operation and under implementation have access to both fuel sources and are in close proximity to areas with high power deficits. Our thermal power projects are proposed to be located in the states of Chhattisgarh and Jharkhand which account for approximately 45% of India's coal resources (*Source: Ministry of Coal website, www.coal.nic.in).* We believe that transporting coal is more expensive than transmitting power. Accordingly, our thermal projects benefit from being in proximity to the fuel sources. Similarly our hydroelectric power projects are located in the state of Arunachal Pradesh which has abundant supply of running water required for hydroelectric projects. Our hydroelectric power projects are designed to be run-of-the-river projects to harness the water flow of the Dibang River, Tangon River and Kamla River. Our projects are strategically located in the western and north-eastern regions of India which, according to the CEA Monthly Review of Power Sector October 2009, had an energy deficit of 16.2% and 17.9%, respectively, for the six months ended October 31, 2009.

- *Experience in project management and track record of executing a large power project.* We and our project management consultant, JSPL, developed the Tamnar I Project which was the first power plant to achieve 'mega' power project status in the private sector in India. Through this experience, we have gained valuable insights and developed direct relationships with vendors and equipment suppliers, and are currently implementing six power projects capable of generating power aggregating to 10,480 MW. Our Tamnar I Project was commissioned ahead of schedule and based on progress to date, we believe that a majority of our power projects currently under implementation are likely to achieve commercial operation on or earlier than the scheduled commercial operations date specified in the lenders' reports. We are responsible for the overall implementation of our projects including conceptualizing the project with the aid of technical engineers, ensuring timely approvals for each project and ordering equipment for our projects.

- *Benefits of Parentage.* We are a subsidiary of JSPL which is engaged in steel production and captive power generation with a total income of Rs. 77,994.30 million for the year ended March 31, 2009. JSPL has been operating since 1998, is listed on the BSE and the NSE and had more than 5,772 employees as of March 31, 2009. JSPL is an established player in the captive power sector with over 10 years of experience in the captive power sector. JSPL currently operates a 358 MW CPP at Raigarh in Chhattisgarh and is in the process of implementing a 540 MW captive power plant at Raigarh in Chhattisgarh and a 810 MW CPP at Angul in Odisha. JSPL also owns and operates captive coal and iron ore mines. As a subsidiary of JSPL, we benefit from group synergies, including access to talent, competitive commercial terms, critical equipment and supplies and technical expertise and knowledge. We currently sell and plan to continue to sell a portion of power generated to JSPL for its steel plants under operation, implementation and planning and for its distribution business. JSPL has indicated to us that all future independent power generation projects in India to be undertaken by JSPL will be developed by our Company.

- *Experienced and qualified management.* We are a professionally managed company with an experienced management team possessing extensive industry experience. Our key management personnel have experience in the implementation, operation and maintenance of large power projects and have held leading positions in India's top power sector companies. We believe our experienced management team, combined with our sound internal controls and risk management measures help maintain our competitive advantage in the marketplace.

- *Strong financial profile.* We are an established operating company with a track record in power generation. Our net worth on an unconsolidated basis has grown from Rs. 8,250.27 million as of March 31, 2008 to Rs. 31,110.51 million as of June 30, 2009, primarily due to profits from our operations. On account of our financial profile, including robust operating cash flows, we have been able to prepay Rs. 10,910.75 million of loans taken by us to fund the development of our operational Tamnar I Project between April 1, 2009 and October 31, 2009.

- *Off-take arrangements*. Our power off-take arrangements reflect a careful balance between risk, cash flows, and revenue through a mix of long-term, medium-term and short-term power purchase arrangements. We intend to sell power through PPAs of varying durations and power exchanges to JSPL, state-owned utilities and power distribution and trading companies. We plan to sell power through a mix of short-term (ranging from one hour to 12 months), medium-term (ranging from one to four years) and long-term (over 4 years) PPAs. The average price realization for power sold on a short-term basis for fiscal 2009 was Rs. 5.91 per unit.

Our Strategy

Our goal is to become a leading full-service integrated power company in the Indian power sector with a presence across the value chain of the power sector, from power generation to power trading, and to capitalise on the opportunities provided by the power sector in India.

- *Capitalize on the growth of the Indian power generation sector*. The power sector in India has historically been characterized by power shortages that have consistently increased over time. According to the CEA October 2009 Report, the total peak shortage was 14,672 MW from April 2009 to October 2009. As per the IEP Report, Expert Committee on Power, in the 11th Plan (2007-2012), a capacity addition of 71 gigawatts, or GW, and 84 GW, assuming a 8.0% and 9.0% GDP growth rate, respectively, would be required by 2012. In the 12th Plan (2013-2017), a capacity addition of 82 GW and 94 GW, assuming a 8.0% and 9.0% GDP group, respectively, would be required by 2017. Given our experience in project management, we believe that we are well-positioned to capitalize on this growth through our projects under implementation. We plan to benefit from the existing deficits through our power projects under operation, implementation and will continue to look at further opportunities to set up new power projects.

- *Focus on hydro and other forms of environmentally-friendly and renewable energy power generation.* Our 1,000 MW Tamnar I Project and 4,380 MW of our power projects under implementation are primarily coal based. Our vision is to establish a presence in other forms of power generation such as gas, hydro, wind, nuclear and solar power, with a focus on hydro and other forms of environmentally friendly renewable energy sources. We are evaluating options with respect to setting up a wind power facility including discussions with suppliers of wind power plants. We have also applied to the regulatory authorities in Rajasthan for power capacity allocations for a 500 MW solar power project and are exploring technology options and suppliers. We are also examining the feasibility of nuclear power generation.

  We are in the exploratory phase for most of these forms of alternate fuel. However, we have executed joint venture agreements for the development of three hydroelectric projects with a combined capacity of 6,100 MW and have recently been granted a license to survey the feasibility of setting up a 220 MW hydro power plant in Chainpur Seti, Nepal. The primary advantage of our hydroelectric projects in India is the perennial flow of water due to snowmelt and climatic conditions.

  We intend to develop our power projects under assignment in a 660 MW configuration using super critical technology in order to take advantage of lower fuel costs using this technology. Super critical technology uses higher temperature and pressure of steam for thermal power generation in comparison to other conventional coal fired power plants. Power plants using super critical technology offer higher thermodynamic efficiency, lower consumption of fuel leading to lower carbon dioxide emissions and lower ash production.

- *Focus on flexible power off-take agreements.* We plan to maintain a combination of long, medium and short-term PPAs with a mix of state distribution companies, industrial consumers and power trading companies as part of our credit risk management and achieve high profitability. We believe our strategy

of selling power through arrangements of varying durations and terms helps us respond quickly to market conditions and benefit from the favourable demand/supply dynamics of the Indian power sector. We believe that this strategy enabled us in achieving robust profitability during fiscal 2009 and the three months ended June 30, 2009 which will enable us to take advantage of the emerging power scenario in India. We also intend to sell power through PPAs of varying durations to JSPL.

- *Further diversify our geographical presence.* We have and are planning to construct power plants in the states of Chhattisgarh, Jharkhand, Odisha and Arunachal Pradesh. We also have a project under planning in Nepal. We intend to further diversify our geographical presence across India and outside of India. In the future, we may acquire additional power generation development projects, existing power plants or related businesses on an opportunistic basis that we believe are a strategic fit with our business. We intend to acquire and develop projects closer to fuel sources and coastal based power projects in order to take advantage of imported coal. We are also actively looking for opportunities to acquire, develop and operate power plants outside India.

- *Establish presence across the value chain of power sector.* We intend to build an integrated energy business by establishing presence across the value chain of power sector and become a major power player in India. We plan to enter into power transmission, distribution and trading business in addition to our presence in power generation, captive fuel supplies and mining. We have established a subsidiary, CETC, to engage in power trading activities and have a "Category II" license which allows us to trade power produced by third parties.

- *Continue to secure and benefit from low-cost fuel supplies.* One of the key success factors in the power generation business is securing low cost fuel supplies and we are strongly placed to be able to satisfy our current fuel requirements. We intend to continue to secure fuel by acquiring coal assets or through captive coal allocations in India, or through fuel linkages, which we believe will result in a lower cost of power generation. We have applied to the Ministry of Coal for a long-term coal linkage in Raigarh, Chhattisgarh for our Tamnar II Project under implementation and have entered into a long-term coal supply agreements with JSPL and SMMPL for the supply of coal for the Godda Project and the Dumka Project, respectively, under implementation in Jharkhand.

  Using the expertise we have acquired from the JSPL's mining experience, we intend to develop the coal blocks that have been allotted to us, or may in the future be allotted to us, with an emphasis on production processes and operational efficiencies to extract coal at low costs. We plan to seek to maximize the availability of equipment and the output of the coal mines to continuously support the coal requirements of our power plants. We believe that obtaining additional coal block allotments and the mining of coal from such coal blocks allotted to us or operated by JSPL at a competitive cost and in sufficient quantity to satisfy the coal requirements of our power plants is key to the profitability and success of our business.

- *Continue to recruit, train and retain qualified personnel*. Our success depends upon our ability to recruit, train and retain high quality professionals. We conduct on-campus recruiting at the top engineering institutes in India, such as IIT Roorkee, IIT Kanpur, IIT Chennai, IIT Kharagpur. Furthermore, we also train certain of our engineers in the operation and maintenance of thermal power projects at Jindal Academy and the Jindal Institute of Power Technology, which were established by the Jindal Education and Welfare Society. We believe that the support of JSPL and our focus on performance, quality, training and growth will give us an advantage in attracting and retaining highly skilled employees.

THE ISSUE

Issue [(1)]	[●] Equity Shares
Of which	
Employee Reservation Portion[(3)(4)]	[●] Equity Shares
Therefore,	
Net Issue to the Public	**[●] Equity Shares**
Of which	
A) QIB Portion[(2)]	At least [●] Equity Shares
Of which	
Available for allocation to Mutual Funds only	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion	Not less than [●] Equity Shares[(4)]
C) Retail Portion	Not less than [●] Equity Shares[(4)]
Equity Shares outstanding prior to the Issue	1,348,800,000 Equity Shares
Equity Shares outstanding after the Issue[(4)]	[●] Equity Shares
Use of Issue Proceeds	See "***Objects of the Issue***" on page 33

(1) The Issue has been authorized by the Board of Directors pursuant to a board resolution dated December 10, 2009 and by the shareholders of our Company pursuant to a special resolution dated December 11, 2009 passed at the EGM of shareholders under section 81(1A) of the Companies Act. Public Issue of [●] Equity Shares of Rs. 10 each for cash at a price of Rs. [●] per Equity Share of the Company aggregating Rs. 72,000 million.

*(2) Our Company in consultation with the BRLMs and the CBRLM may allocate up to 30% of the QIB Portion, to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations. One third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors. For further details see "**Issue Procedure**" on page 276. Except with respect to the Anchor Investor Portion, allocation shall be made on a proportionate basis. If atleast 60% of the Issue is not allocated to the QIBs, the entire subscription monies shall be refunded.*

(3) In case discount to the Issue Price is offered to the Eligible Employees, the Employee Reservation Portion will be reduced in such proportion that the number of Equity Shares issued to Eligible Employees does not exceed 5% of the post-Issue capital of the Company.

(4) Any unsubscribed portion in any reserved category shall be added to the Net Issue to the public. In case of under-subscription in the Net Issue to the public category, spill-over to the extent of under-subscription shall be permitted from the reserved category to the Net Issue to the public. If at least 60% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded. In the event that the aggregate demand in the QIB Portion has been met, under subscription in any other category, if any, would be allowed to be met with spill-over from other categories or combination of categories at the discretion of our Company in consultation with the BRLMs, the CBRLM and the Designated Stock Exchange.

(5) The total number of Equity Shares issued may be required to be adjusted, inter alia, for any discount to be offered to the Eligible Employees, and the exact number of Equity Shares allotted in this Issue, pursuant to completion of the Book Building Process.

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For details of the terms of the Issue, see "***Terms of the Issue***" on page 268.

SELECTED FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our restated standalone financial statements and restated consolidated financial statements for fiscal 2009. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations and are presented in the section titled "***Financial Statements***" on page F1. The consolidated summary financial information presented below should be read in conjunction with our restated consolidated financial statements, the notes thereto and the section titled "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 188.

Summary Statement of Assets and Liabilities, as Restated of Jindal Power Limited

(Rs. In Million)

		As at 30th June, 2009	As at March 31,				
			2009	2008	2007	2006	2005
A	**Fixed Assets :**						
	Gross Block	41,364.23	41,350.59	19,492.45	645.75	517.86	75.65
	Less : Depreciation	7,530.82	6,233.61	873.63	35.48	20.24	8.22
	Net Block	33,833.41	35,116.98	18,618.82	610.27	497.62	67.43
	Capital Work In Progress (including Capital Advances)	11,738.19	8,103.34	21,192.89	28,176.63	10,309.56	2,378.18
	Total Fixed Assets	**45,571.60**	**43,220.32**	**39,811.71**	**28,786.90**	**10,807.18**	**2,445.61**
B	**Investments**	**89.22**	**2,444.31**	**970.00**	**384.50**	**3.49**	**-**
C	**Deferred Tax Assets (net)**	**-**	**-**	**490.88**	**91.29**	**5.65**	**-**
D	**Current Assets, Loans And Advances**						
	Inventories	350.32	272.73	145.26	-	-	-
	Sundry Debtors	2,779.55	2,317.81	772.00	-	-	-
	Cash And Bank Balances	68.84	3,341.34	277.05	404.10	688.82	9.99
	Loans And Advances	15,131.37	9,934.49	91.40	132.55	18.13	3.52
	Other Current Assets	-	-	1.00	30.06	-	-
	Total Current Assets, Loans And Advances	**18,330.08**	**15,866.37**	**1,286.71**	**566.71**	**706.95**	**13.51**
E	**Total Assets (A+B+C+D)**	**63,990.90**	**61,531.00**	**42,559.30**	**29,829.40**	**11,523.27**	**2,459.12**
F	**Liabilities And Provisions**						
	Secured Loans	23,582.03	31,327.65	30,849.29	11,121.25	5,018.75	-
	Unsecured Loans	-	-	-	8,091.31	816.49	18.59
	Deferred Tax Liabilities (net)	1,217.73	1,172.68	-	-	-	-
	Current Liabilities And Provisions	8,080.63	4,947.47	3,459.74	4,243.92	2,075.33	41.85
	Total Liabilities And Provisions	**32,880.39**	**37,447.80**	**34,309.03**	**23,456.48**	**7,910.57**	**60.44**
G	**Advance Against Share Application Money, Pending Allotment**	**-**	**-**	**-**	**60.00**	**-**	**2,389.82**
H	**Net Worth (E-F-G)**	**31,110.51**	**24,083.20**	**8,250.27**	**6,312.92**	**3,612.70**	**8.86**

Represented By :-						
1) Equity Share Capital	8,677.00	8,677.00	8,677.00	6,493.97	3,624.97	10.00
2) Reserve & Surplus	22,433.51	15,406.20	(426.73)	(181.00)	(12.22)	(1.09)
Less: Miscellaneous Expenditure (to the extent not written off or adjusted	-	-	-	0.05	0.05	0.05
Reserve & Surplus (net of miscellaneous expenditure)	22,433.51	15,406.20	(426.73)	(181.05)	(12.27)	(1.14)
Net Worth	**31,110.51**	**24,083.20**	**8,250.27**	**6,312.92**	**3,612.70**	**8.86**

Notes :-

The Above information should be read with significant accounting policies appearing in Annexure 5, together with notes to the Statement of Profit & Losses and Assets and Liabilities, as restated, appearing in Annexure 6.

Summary Statement of Profit and Loss, as Restated of Jindal Power Limited

(Rs. In Million)

	For the Three Months Ended June 30th, 2009	For the Year Ended March 31,			
		2009	2008	2007	2006
Income					
Sale of Power	12,591.32	32,584.78	1,263.56	-	-
Less : Electricity Duty	-	10.04	9.66	-	-
Net Sales	12,591.32	32,574.74	1,253.90	-	-
Other Income	207.23	567.90	4.75	-	-
Total Income	**12,798.55**	**33,142.64**	**1,258.65**	**-**	**-**
Expenditure					
Cost of Fuel	1,076.36	2,500.35	136.43	-	-
Staff Cost	117.56	264.61	19.36	-	-
Other Manufacturing Expenses	150.93	430.53	39.05	-	-
Selling And Distribution Expenses	347.70	1,229.69	0.70	-	-
Administration And Other Expenses	161.32	1,074.38	103.48	-	-
Interest & Bank Charges	749.77	3,131.40	464.70	-	-
Total Expenditure	**2,603.64**	**8,630.96**	**763.72**	**-**	**-**
Profit Before Depreciation & Tax	**10,194.91**	**24,511.68**	**494.93**	**-**	**-**
Depreciation	1,182.74	5,307.26	275.13	-	-
Profit Before Tax	**9,012.17**	**19,204.42**	**219.80**	**-**	**-**
Provision For Current Tax	1,531.61	2,206.65	24.66	-	-
Deferred Tax	45.05	1,172.68	-	-	-

Provision For Wealth Tax	0.43	0.81	0.11	-	-
Provision For Fringe Benefit Tax	-	5.00	0.71	-	-
Profit After Tax	**7,435.08**	**15,819.28**	**194.32**	**-**	**-**
Adjustment for Change in Accounting Policy					
- Depreciation	-	546.79	(546.79)	-	-
- Mine Development Expenses	-	565.15	(291.92)	(254.44)	(18.79)
- Employee Benefits	-	-	(0.94)	0.02	2.01
Other Adjustments (Refer note no. 6(a) of Annexure-6)	(491.26)	491.26	-	-	-
Total Adjustments	**(491.26)**	**1,603.20**	**(839.65)**	**(254.42)**	**(16.78)**
Tax Impact on above adjustments	83.49	(574.06)	399.28	85.64	5.65
Total Adjustments After Tax Impact	**(407.77)**	**1,028.82**	**440.05**	**(168.78)**	**(11.13)**
Profit After Tax, As Restated	**7,027.31**	**16,848.10**	**(245.73)**	**(168.78)**	**(11.13)**

Notes :-
The Above information should be read with significant accounting policies appearing in Annexure 5, together with notes to the Summary Statement of Profit & Losses and Assets and Liabilities, as restated, appearing in Annexure 6**.**

Consolidated Summary Statement of Assets and Liabilities, as Restated of Jindal Power Limited

(Rs. In Million)

		As at June 30th, 2009	As at March 31st, 2009
A	**Fixed Assets :**		
	Gross Block	41,364.23	41,843.82
	Less : Depreciation	7,530.82	6,233.61
	Net Block	33,833.41	35,610.21
	Capital Work In Progress (including Capital Advances)	11,738.19	8,119.22
	Total Fixed Assets	**45,571.60**	**43,729.43**
B	**Investments**	**12.54**	**1,832.84**
C	**Current Assets, Loans And Advances**		
	Inventories	350.32	272.73
	Sundry Debtors	2,749.64	2,317.81
	Cash And Bank Balances	122.50	3,387.42
	Loans And Advances	15,205.30	10,005.47
	Total Current Assets, Loans And Advances	**18,427.76**	**15,983.43**
D	**Total Assets (A+B+C)**	**64,011.90**	**61,545.70**
E	**Minority Interest**	**21.28**	**0.53**
F	**Liabilities And Provisions**		

	Secured Loans	23,582.03	31,327.65
	Deferred Tax Liabilities	1,217.73	1,172.68
	Current Liabilities And Provisions	8,081.40	4,948.09
	Total Liabilities And Provisions	**32,881.16**	**37,448.42**
G	**Total Liabilities (E+F)**	**32,902.44**	**37,448.95**
H	**Net Worth (D-G)**	**31,109.46**	**24,096.75**
	Represented By :-		
	1) Equity Share Capital	8,676.99	8,677.00
	2) Reserve & Surplus	22,434.24	15,421.00
	Less: Miscellaneous Expenditure (to the extent not written off or adjusted	1.77	1.25
	Reserve & Surplus (net of miscellaneous expenditure)	22,432.47	15,419.75
	Net Worth	**31,109.46**	**24,096.75**

Notes:
The Above information should be read with significant accounting policies appearing in Annexure E, together with notes to the Statement of Profit & Losses and Assets and Liabilities, as restated, appearing in Annexure F.

Consolidated Summary Statement of Profit and Loss, as Restated of Jindal Power Limited

(Rs. In Million)

	For the Three Months Ended June 30th, 2009	**For the Year Ended March 31st, 2009**
Income		
Sale of Power	12,591.31	32,584.78
Less : Electricity Duty	-	10.04
Net Sales	12,591.31	32,574.74
Other Income	207.98	584.02
Total Income	**12,799.29**	**33,158.76**
Expenditure		
Cost of Fuel	1,076.36	2,500.35
Staff Cost	117.56	264.61
Other Manufacturing Expenses	150.93	430.53
Selling And Distribution Expenses	347.70	1,229.69
Administration And Other Expenses	161.70	1,075.67
Interest & Bank Charges	749.79	3,131.40
Total Expenditure	**2,604.04**	**8,632.25**
Profit Before Depreciation & Tax	**10,195.25**	**24,526.51**
Depreciation	1,182.74	5,307.26
Profit Before Tax	**9,012.51**	**19,219.25**
Provision For Current Tax		

	1,531.79	2,206.65
Deferred Tax / (Deferred Tax Credit)	45.05	1,172.68
Provision For Wealth Tax	0.43	0.82
Provision For Fringe Benefit Tax	-	5.00
Profit After Tax	**7,435.24**	**15,834.10**
Minority Interest	0.19	0.01
Profit After Tax and Minority Interest	**7,435.05**	**15,834.09**
Adjustment for Change in Accounting Policy		
- Depreciation	-	546.79
- Mine Development Expenses	-	565.15
- Exchange Fluctuation	-	(16.12)
Other Adjustments (Refer note no. 5(a) of Annexure-F)	(491.26)	491.26
Total Adjustments	**(491.26)**	**1,587.08**
Tax Impact on above adjustments	83.49	(574.06)
Total Adjustments After Tax Impact	**(407.77)**	**1,013.02**
Profit After Tax and Minority Interest, As Restated	**7,027.28**	**16,847.11**

Notes :-
The Above information should be read with significant accounting policies appearing in Annexure E, together with notes to the Statement of Profit & Losses and Assets and Liabilities, as restated, appearing in Annexure F.

GENERAL INFORMATION

Our Company was incorporated as "Jindal Power Limited" on January 30, 1995 under the Companies Act with the Registrar of Companies, Madhya Pradesh and Chhattisgarh, Gwalior ("**RoC**"). Our Company received the certificate of commencement of business from the RoC on April 27, 1995.

Registered Office of our Company

Jindal Power Limited
Tamnar 496 107
District Raigarh
Chhattisgarh, India
Tel.: + (91 7767) 302 000
Fax: + (91 7767) 281 995
Website: www.jindalpower.com

Corporate Office of our Company

Jindal Power Limited
Jindal Centre
12, Bhikaji Cama Place
New Delhi 110 066, India
Tel.: + (91 11) 4146 2000
Fax: + (91 11) 2616 7958

Registration Number: 10-08985
Corporate Identity Number: U04010CT1995PLC008985

Our Company is registered with the RoC described below:

Registrar of Companies, Madhya Pradesh and Chhattisgarh, Gwalior
3rd Floor, A-Block
Sanjay Complex, Jayendra Ganj
Gwalior, Madhya Pradesh

Board of Directors

The following table sets out the details regarding our Board as on the date of filing this Draft Red Herring Prospectus.

Name, Designation, Occupation and DIN	Age (years)	Address
Mr. Naveen Jindal **Designation**: Non-executive Chairman **Occupation**: Industrialist **DIN**: 00001523	39	6, Prithvi Raj Road, New Delhi 110 011, India
Dr. Rajendra Prasad Singh **Designation**: Vice Chairman and Managing Director **Occupation**: Service **DIN**: 00004812	61	A-1, PWO, Hriday Deep, Sector 43, Gurgaon 122 002, Haryana, India
Mr. Sushil Kumar Maroo **Designation**: Deputy Managing Director	48	C-20, Pamposh Enclave, Greater Kailash Part – I, New Delhi 110 048, India

Name, Designation, Occupation and DIN	Age (years)	Address
Occupation: Service **DIN**: 00054101		
Mr. Pradip Kumar Chakraborty **Designation**: Whole-time Director **Occupation**: Service **DIN**: 00076630	60	C-18, Urja Nagar Colony, Jindal Power Limited, P.O. Tamnar, Raigarh, Chhattisgarh, India
Mr. Kishore Kumar Sinha **Designation**: Whole-time Director **Occupation**: Service **DIN**: 01358221	62	Flat No. GA 67, NTPC Anandam, Pocket P-6, Builders Area, Greater Noida, Gautam Budh Nagar 201 308, Uttar Pradesh, India
Mr. Anand Goel **Designation**: Non-executive Director **Occupation**: Service **DIN**: 00001635	57	B-3/15, Safdarjung Enclave, New Delhi 110 029, India
Mr. Ashok Kumar Basu **Designation**: Independent Director **Occupation**: Retired IAS officer **DIN**: 01411191	67	GD 282, Sector 3, Salt Lake, Kolkata 700 106
Mr. Ram Vinay Shahi **Designation**: Independent Director **Occupation**: Service **DIN**: 01337591	64	14, Factory Road, Block A, Ground Floor, Ring Road, New Delhi 110 029, India.
Mr. Shardul Suresh Shroff **Designation**: Independent Director **Occupation**: Advocate **DIN**: 00009379	54	S 270, Greater Kailash Part – II, New Delhi 110 048, India
Mr. Arun Kumar Purwar **Designation**: Independent Director **Occupation**: Professional **DIN**: 00026383	63	Flat No. 2303, C Tower, Ashok Tower, Dr. S.S. Rao Road, Parel, Mumbai 400 012, India
Mr. Hardip Singh Wirk **Designation**: Independent Director	40	2, Andheria Morh, Harcharan Farm, Mehrauli, New Delhi 110 030, India

Name, Designation, Occupation and DIN	Age (years)	Address
Occupation: Advocate **DIN**: 00995449		
Mr. Pradeep Kumar Tripathi **Designation**: Independent Director **Occupation**: Service **DIN**: 00004893	57	D243, Anupam Garden, Neb Sarai, New Delhi - 110068

For further details of our Directors, see "***Our Management***" on page 135.

Deputy Company Secretary and Compliance Officer

Mr. Dhiraj Kumar Maggo
Jindal Power Limited
28, Najafgarh Road
New Delhi 110 015
Tel: + (91 11) 4502 1852
Fax: + (91 11) 2592 8118
Email: dhiraj.maggo@jindalpower.com

Investors can contact our Deputy Company Secretary and Compliance Officer or the Registrar to the Issue or BRLMs in case of any pre or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account and refund orders. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for Bid Amount blocked, ASBA Account number and the Designated Branch of the SCSB where the ASBA Form was submitted by the ASBA Bidders.

Book Running Lead Managers

JM Financial Consultants Private Limited 141, Maker Chambers III Nariman Point Mumbai 400 021 Maharashtra, India Tel: +91 (22) 6630 3030 Fax: +91 (22) 2204 7185 E-mail: jpl.ipo@jmfinancial.in Investor Grievance ID: grievance.ibd@jmfinancial.in Website: www.jmfinancial.in Contact Person: Ms. Naazneen F. Yazdani SEBI Registration No.: INM000010361	***Enam Securities Private Limited*** 801, Dalamal Towers Nariman Point Mumbai 400 021, India Tel: + (91 22) 6638 1800 Fax: + (91 22) 2284 6824 E-mail: jindalpower@enam.com Investor Grievance E-mail:complaints@enam.com Website: www.enam.com Contact Person: Mr. Ashish Kumbhat SEBI Registration No.: INM000006856
Deutsche Equities India Private Limited DB House, Hazarimal Somani Marg Fort, Mumbai 400 001, India Tel: + (91 22) 6658 4600 Fax: +(91 22) 2200 6765 Email : jpl.ipo@db.com Investor Grievance Email: db.redressal@db.com Website: www.db.com/India Contact Person: Mr. Vivek Pabari SEBI Registration Number: INM000010833	***Goldman Sachs (India) Securities Private Limited*** Rational House, 951-A, Appasaheb Marathe Marg, Prabhadevi Mumbai 400025, India Tel: + (91 22) 6616 9000 Fax: + (91 22) 6616 9090 E-mail: jpl_issue@gs.com Investor Grievance E-mail: india-client-support@gs.com Website: www2.goldmansachs.com /worldwide/india/indian_offerings.html

	Contact Person: Ms. Pranita Gramopadhye SEBI Registration No.: INM000011054
ICICI Securities Limited ICICI Centre H. T. Parekh Marg Churchgate Mumbai 400 020, India Tel: +(91 22) 2288 2460 Fax: +(91 22) 2282 6580 E-mail ID: jpl.ipo@icicisecurities.com Investor Grievance Id: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Mr. Mayank Lunawat SEBI Registration Number: INM000011179	***SBI Capital Markets Limited*** 202, Maker Towers 'E' Cuffe Parade Mumbai 400 005, India Tel: +(91 22) 2217 8300 Fax: +(91 22) 2218 8332 E-mail: jpl.ipo@sbicaps.com Investor Grievance E-mail: investor.relations@sbicaps.com Website: www.sbicaps.com Contact Person: Mr. Apurva Kumar SEBI Registration No.: INM000003531
UBS Securities India Private Limited 2/F, 2 North Avenue, Maker Maxity Bandra Kurla Complex, Bandra (E) Mumbai 400 051, India Tel: +(91 22) 6155 6000 Fax: +(91 22) 6155 6300 Email: customercare@ubs.com Investor Grievance Email: customercare@ubs.com Contact Person: Ankit Sharma Website: www.ubs.com/indianoffers SEBI Registration Number: INM000010809	

Co-Book Running Lead Manager

Motilal Oswal Investment Advisors Private Limited
113/114, Bajaj Bhawan, 11th Floor, Nariman Point
Mumbai 400 021, India
Tel: +91 22 3980 4380
Fax: +91 22 3980 4315
Email: jpl.ipo@motilaloswal.com
Investor Grievance Email: moiaplredressal@motilaloswal.com
Website: www.motilaloswal.com
Contact Person: Mr. Paresh Raja
Registration No: INM000011005

Syndicate Member

[●]
[●]
Tel.: [●]
Fax: [●]
E-mail: [●]
Website: [●]
Contact Person: [●]

Domestic Legal Counsel to the Company

Amarchand & Mangaldas & Suresh A. Shroff & Co.
216, Amarchand Towers
Okhla Industrial Estate Phase - III
New Delhi 110 020, India
Tel.: + (91 11) 2692 0500

Fax: + (91 11) 2692 4900

Domestic Legal Counsel to the BRLMs and the CBRLM

Khaitan & Co.
One Indiabulls Centre, 13th Floor
841 Senapati Bapat Marg
Elphinstone Road
Mumbai 400 013, India
Tel.: + (91 22) 6636 5000
Fax: + (91 22) 6636 5050

International Legal Counsel to the BRLMs and the CBRLM

Latham & Watkins LLP
9 Raffles Place
#42-02 Republic Plaza
Singapore 048619
Tel.: + (65) 6536 1161
Fax: + (65) 6536 1171

Registrar to the Issue

[●]
[●]
Tel.: [●]
Fax : [●]
E-mail: [●]
Website: [●]
Contact Person: [●]
SEBI Registration No.: [●]

Bankers to Issue and Escrow Collection Banks

[●]

Refund Banks

[●]

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the Applications Supported by Blocked Amount ("**ASBA**") process are available at http://www.sebi.gov.in. Details relating to the Designated Branches of SCSBs collecting the ASBA Bid-cum-Application Forms are available at the above-mentioned link.

Bankers to the Company

State Bank of India CAG Branch, 11th Floor, Jawahar Vyapar Bhawan 1, Tolstoy Marg New Delhi 110 001, India Tel.: + (91 11) 2337 4571 Fax: + (91 11) 2335 2793 E-mail: Chandra.kunkal@sbi.co.in Website: www.statebankofindia.com Contact Person: Mr. J.L. Jain	***IDBI Bank Limited*** ICG, Indian Red Cross Society Building 1, Red Cross Road New Delhi 110 001, India Tel.: + (91 11) 2335 1413 Fax: + (91 11) 2371 1664 E-mail: r.chakravorty@idbi.co.in Website: www.idbi.com Contact Person: Ms. Romi Chakravorty
Punjab National Bank Large Corporate Branch	

Tolstoy House, Tolstoy Marg
New Delhi 110 001, India
Tel.: + (91 11) 2331 4703
Fax: + (91 11) 2332 3480
E-mail: bo2164@pnb.co.in
Website: www.pnb.com
Contact Person: Mr. V. Gujjal

Statutory Auditors to the Company

Lodha & Co.
C-1, Upasana Building
1, Hailey Road
New Delhi 110 001, India
Tel.: + (91 11) 2371 0176
Fax: + (91 11) 4372 4461
E-mail: delhi@lodhaco.com
Firm Registration No.: 301051E

Credit Rating

As this is an Issue of Equity Shares, credit rating for this Issue is not required.

IPO Grading Agency

[●]

IPO Grading

This Issue has been graded by [●] and has been assigned a grade of [●]/5 indicating [●] fundamentals. The IPO Grading is assigned on a five point scale from 1 to 5, with IPO Grade 5/5 indicating strong fundamentals and IPO Grade 1/5 indicating poor fundamentals. For details in relation to the rationale furnished by [●], see "***Annexure I***" on page [●]. Attention is drawn to the disclaimer appearing on page [●].

Trustees

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

Monitoring Agency

[●]

The monitoring agency has been appointed pursuant to Regulation 16 of the SEBI Regulations.

Experts

Except for the report of [●] in respect of the IPO Grading of this Issue (a copy of which will be annexed to the Red Herring Prospectus as Annexure I), furnishing the rationale for its grading which will be provided to the Designated Stock Exchange and except for the reports of the Auditors of our Company on the restated financial statements, included in this Draft Red Herring Prospectus, our Company has not obtained any expert opinions.

Appraising Agency

SBI Capital Markets Limited
202, Maker Tower 'E', Cuffe Parade
Mumbai 400 021
Maharashtra, India
Tel.: + (91 22) 2217 8300
Fax: + (91 22) 2218 8332
E-mail: yashpal.singh@sbicaps.com

Contact Person: Mr. Yashpal Singh

Statement of *inter-se* Allocation of Responsibilities among the BRLMs and the CBRLM

The responsibilities and co-ordination for the various activities for this Issue are as follows:

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital Structuring with relative components and formalities such as type of instruments, etc.	All BRLMs and CBRLM	JM Financial
2.	Due diligence of Company's operations / management / business plans / legal etc. Drafting and design of Red Herring Prospectus 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, ROC and SEBI including finalisation of Prospectus and ROC filing.	All BRLMs and CBRLM	JM Financial
3.	Drafting and approval of all statutory advertisement	All BRLMs and CBRLM	JM Financial
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in 3 above including corporate advertisement, brochure etc.	All BRLMs and CBRLM	DB
5.	Appointment of other intermediaries viz., Registrar's, Printers, Advertising Agency and Bankers to the Issue	All BRLMs and CBRLM	I-Sec
6.	Preparation of Road show presentation	All BRLMs and CBRLM	DB
7.	International Institutional Marketing strategy * Finalise the list and division of investors for one to one meetings, in consultation with the Company, and * Finalizing the International road show schedule and investor meeting schedules - Asia - Europe - Rest of the World	All BRLMs and CBRLM	 UBS DB GS
8.	Domestic institutions / banks / mutual funds marketing strategy * Finalise the list and division of investors for one to one meetings, institutional allocation in consultation with the Company. * Finalizing the list and division of investors for one to one meetings, and * Finalizing investor meeting schedules	All BRLMs and CBRLM	JM Financial
9.	Non-Institutional and Retail marketing of the Issue, which will cover, inter alia, * Formulating marketing strategies, preparation of publicity budget * Finalise Media and PR strategy * Finalising centers for holding conferences for press and brokers * Follow-up on distribution of publicity and Issuer material including form, prospectus and deciding on the quantum of the Issue material	All BRLMs and CBRLM	Enam
10.	Co-ordination with Stock Exchanges for Book Building Software, bidding terminals and mock trading.	All BRLMs and CBRLM	SBI Caps
11.	Finalisation of Pricing, in consultation with the Company	All BRLMs and CBRLM	UBS
12.	The post bidding activities including management of escrow accounts, co-ordination of non-institutional allocation, intimation of allocation and dispatch of refunds to bidders etc. The post Offer activities for the Offer involving essential follow up steps, which include the finalisation of trading and dealing of instruments and demat of delivery of shares, with the various agencies connected with the work such as the registrar's to the Issue and Bankers to the Issue and the bank handling refund business. The merchant banker shall be responsible for ensuring that these agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with the Company.	All BRLMs and CBRLM	Enam

Book Building Process

The Book Building Process, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band and the minimum Bid lot size for the Issue will be decided by the Company in consultation with the BRLMs and advertised in [•] edition of [•] and [•] edition of [•] (one in English and one in Hindi, which is also the regional newspaper) at least two working days prior to the Bid/Issue Opening Date. The Issue Price is finalised after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

- The Company;
- BRLMs;
- CBRLM;
- Syndicate Member which is an intermediary registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The Syndicate Member is appointed by the BRLMs and the CBRLM;
- Registrar to the Issue;
- Escrow Collection Banks; and
- SCSBs.

This is an Issue of less than 25% of the post-Issue share capital of our Company and is being made pursuant to Rule 19(2)(b) of the SCRR read with Regulation 41(1)(a) of the SEBI Regulations, through the 100% Book Building Process wherein at least 60% of the Issue shall be allocated to QIBs on a proportionate basis. Provided that, our Company may, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% and 30% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders, respectively, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Portion, 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, the CBRLM and the Designated Stock Exchange. For details of Bids by Anchor Investors and Mutual Funds, see "***Issue Procedure***" on page 276.

In accordance with the SEBI Regulations, 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 such QIBs will be on a proportionate basis. However, Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. In addition, Anchor Investors are required to pay atleast 25% of the Bid Amount upon submission of the Bid cum Application Form and allocation to the Anchor Investors will be on a discretionary basis. For further details, see "***Issue Structure***" on page 271.

We will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed the BRLMs and the CBRLM to manage the Issue and procure subscriptions to the Issue.

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

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 (excluding the ASBA bidders who can only bid at cut-off price) can bid at any price within the Price Band. For instance, assume a price band of Rs. 20 to Rs. 24 per equity 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 centers during the bidding period. The illustrative book below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Amount (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 BRLMs and the CBRLM will finalize 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 are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding

1. Check eligibility for making a Bid (For further details see "***Issue Procedure - Who Can Bid***") on page 277.

2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form and the ASBA Bid cum Application Form.

3. Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, for Bids of all values ensure that you have mentioned your PAN allotted under the I.T. Act in the Bid cum Application Form and the ASBA Bid cum Application Form (see "***Issue Procedure – Permanent Account Number or PAN***" on page 297).

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 the ASBA Bid cum Application Form.

5. Ensure the correctness of your demographic details (as defined in the "***Issue Procedure-Bidders Depository Account Details***" on page 292) given in the Bid cum Application Form and the ASBA Bid cum Application Form, with the details recorded with your Depository Participant.

6. Bids by QIBs (including Anchor Investors) will have to be submitted to the BRLMs and the CBRLM.

7. Bids by ASBA Bidders will have to be submitted to the designated branches of the SCSBs. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that the ASBA Bid cum Application Form is not rejected.

Withdrawal of the Issue

Our Company in consultation with the BRLMs and the CBRLM reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before Allotment. If our Company withdraws from the Issue, it shall issue a public notice that shall include reasons for such withdrawal, within two days of the Bid/Issue Closing Date. The notice of withdrawal shall be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchanges shall also be informed promptly.

If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of Equity Shares, it shall file a fresh draft red herring prospectus with SEBI.

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 only after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the Stock Exchanges.

Bid/Issue Program*

BID/ISSUE OPENS ON	**[●], 2010**
BID/ISSUE CLOSES ON	**[●], 2010**

** Anchor Investors, if any, shall submit their Bid on the Anchor Investor Bidding Date, which is one working day prior to the Bid/Issue Opening Date.*

Bids and any revision in Bids will 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 in the Bid cum Application Form **except that on the Bid/Issue Closing Date, Bids excluding ASBA Bids shall be accepted only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders; and (ii) 5.00 p.m. which may be extended up to such time as permitted by the Stock Exchanges 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 1.00 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 IPOs, 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 in the Issue. If such Bids are not uploaded, the Company, the BRLMs, the CBRLM and the Syndicate Member shall not be responsible. Bids will be accepted only on Working Days, i.e. Monday to Friday (excluding any public holiday).

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

Our Company reserves the right to revise the Price Band during the Bidding Period in accordance with SEBI Regulations. The Cap Price shall 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 originally disclosed in the Red Herring Prospectus and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bidding 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 Stock Exchanges, by issuing a press release, and also by indicating the change on the web site of the BRLMs and at the terminals of the members of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs and the CBRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Member does not fulfill their underwriting obligations. The Underwriting Agreement is dated [●].

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

(Amount in Rs. million)

Name, address, telephone, fax and e-mail of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten
[●]	[●]	[●]
[●]	[●]	[●]

The abovementioned is indicative underwriting and this would be finalised after the pricing and actual allocation.

In the opinion of our Board of Directors (based on a certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board of Directors, at its meeting held on [●] has accepted and entered into the Underwriting Agreement with the Underwriters.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscriptions for/subscribe to Equity Shares to the extent of the defaulted amount, except in cases where the allocation to QIB is less than 60% of the Net Issue, in which case the entire subscription monies will be refunded.

The underwriting arrangements mentioned above shall not apply to the subscriptions by the ASBA Bidders in this Issue.

CAPITAL STRUCTURE

The share capital of our Company as of the date of this Draft Red Herring Prospectus, before and after the Issue, is set forth below.

(*Amount in Rs. million except share data*)

		Aggregate Nominal Value	Aggregate Value at Issue Price
A)	**Authorised share capital***		
	3,000,000,000 Equity Shares of Rs. 10 each	30,000.00	
B)	**Issued, subscribed and paid up share capital before the Issue**		
	1,348,800,000 Equity Shares of Rs. 10 each	13,488.00	
C)	**Present issue in terms of this Draft Red Herring Prospectus****		
	Issue of [●] Equity Shares of Rs. 10 each	[●]	[●]
D)	**Equity capital after the Issue*****		
	[●] Equity Shares of Rs. 10 each	[●]	[●]
E)	**Share premium account**		
	Before the Issue	Nil	
	After the Issue	[●]	

* *For details in the changes of the authorized share capital of the Company, see "History and Certain Corporate Matters" on page 130.*

** *The Issue has been authorized by the Board of Directors pursuant to a board resolution dated December 10, 2009 and by the shareholders of our Company pursuant to a special resolution dated December 11, 2009 passed at the EGM of shareholders under section 81(1A) of the Companies Act.*

*** *The total number of Equity Shares issued may be required to be adjusted, inter alia, for any discount to be offered to the Eligible Employees, and the exact number of Equity Shares allotted in this Issue, pursuant to completion of the Book Building Process.*

Notes to Capital Structure

1. ***Share Capital History of our Company***

The following is the history of the share capital of our Company:

Date of allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Cash, other than cash etc.)	Reasons for allotment	Cumulative Equity Share capital (Rs.)
January 30, 1995	700	10	10	Cash	Initial subscription to the Memorandum of Association	7,000
December 12, 2002	49,300	10	10	Cash	Preferential allotment	500,000
November 1, 2003	950,000	10	10	Cash	Preferential allotment	10,000,000
June 9, 2005	170,000,000	10	10	Cash	Preferential allotment	1,710,000,000
March 21, 2006	191,497,000	10	10	Cash	Preferential allotment	3,624,970,000
June 1, 2006	72,990,000	10	10	Cash	Preferential allotment	4,354,870,000
July 26, 2006	40,430,000	10	10	Cash	Preferential allotment	4,759,170,000
September 23, 2006	46,000,000	10	10	Cash	Preferential allotment	5,219,170,000
March 27, 2007	127,480,000	10	10	Cash	Preferential allotment	6,493,970,000

Date of allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Cash, other than cash etc.)	Reasons for allotment	Cumulative Equity Share capital (Rs.)
October 12, 2007	198,553,000	10	10	Cash	Preferential allotment	8,479,500,000
December 6, 2007	19,750,000	10	10	Cash	Preferential allotment	8,677,000,000
July 29, 2009	31,500,000	10	10	Cash	Preferential allotment	8,992,000,000
December 4, 2009	449,600,000	10	N/A	N/A	Bonus issue in the ratio 1:2	13,488,000,000
Total						**13,488,000,000**

Pursuant to certificates received from practicing company secretaries, all preferential issues of Equity Shares, after December 4, 2003, have been made in accordance with the requirements of the Companies Act read with the Unlisted Public Companies (Preferential Allotment) Rules, 2003.

2. ***Issue of Equity Shares in the last one year***

Our Company has issued 31,500,000 Equity Shares to Gagan Infraenergy Limited, one of our Promoters, on July 29, 2009, at an issue price of Rs. 10.00 each.

Additionally, on December 4, 2009, our Company made a bonus issue of 449,600,000 Equity Shares (in the ratio of 1:2), to the existing shareholders of the Company.

3. ***Promoters Contribution and lock-in***

Pursuant to the SEBI Regulations, an aggregate of 20% of the post-Issue Equity Share Capital of our Company shall be locked in by the Promoters for a period of three years from the date of Allotment.

(a) ***Details of the build up of our Promoters shareholding in our Company***

Name of Promoter	Date of allotment/transfer*	Consideration (Cash other than Cash etc.)	Nature of allotment / acquisition	No. of Equity Shares	Face Value (Rs.)	Issue/acquisition price per Equity Share
Jindal Steel & Power Limited	November 1, 2003	Cash	Preferential allotment	350,000	10	10
	June 9, 2005	Cash	Preferential allotment	170,000,000	10	10
	March 21, 2006	Cash	Preferential allotment	191,497,000	10	10
	June 1, 2006	Cash	Preferential allotment	72,990,000	10	10
	July 26, 2006	Cash	Preferential allotment	40,430,000	10	10
	September 23, 2006	Cash	Preferential allotment	46,000,000	10	10
	March 27, 2007	Cash	Preferential allotment	127,480,000	10	10
	October 12, 2007	Cash	Preferential allotment	198,553,000	10	10
	December 6, 2007	Cash	Preferential allotment	19,750,000	10	10
	December 4, 2009	N/A	Bonus issue in the ratio 1:2	433,525,000	10	N/A
Total (A)				**1,300,575,000****		
Gagan Infraenergy Limited	November 1, 2003	Cash	Acquisition	300,000	10	10
	March 29, 2005	Cash	Transfer of	(300,000)	10	10

Name of Promoter	Date of allotment/transfer*	Consideration (Cash other than Cash etc.)	Nature of allotment / acquisition	No. of Equity Shares	Face Value (Rs.)	Issue/acquisition price per Equity Share
			shares			
	July 29, 2009	Cash	Preferential Allotment	31,500,000	10	10
	December 4, 2009	N/A	Bonus issue in the ratio 1:2	15,750,000	10	N/A
Total (B)				**47,250,000**		
Opelina Finance and Investment Limited	November 1, 2003	Cash	Acquisition	300,000	10	10
	April 12, 2004	Cash	Acquisition	49,600	10	10
	March 29, 2005	Cash	Transfer of shares	(349,600)	10	10
	September 29, 2009	Cash	Acquisition	1,500	10	100
	December 4, 2009	N/A	Bonus issue in the ratio 1:2	750	10	N/A
Total (C)				**2,250**		
Total (A + B + C)				**1,347,827,250**		

**The Equity Shares were fully paid up.*
*** 687,888,000 Equity Shares, held by JSPL, being 51% of our issued and paid up capital are subject to pledge. The Equity Shares are pledged in favour of various lenders pursuant to loan agreements dated September 2, 2004 and December 17, 2005.*

(b) ***The details of the shareholding of the Promoters and the Promoter Group as on the date of filing of this Draft Red Herring Prospectus***:

Shareholders	Pre-Issue		Post-Issue#	
	No. of Equity Shares	**Percentage of shareholding**	**No. of Equity Shares**	**Percentage of shareholding**
Promoters				
Jindal Steel & Power Limited^	1,300,575,000	96.43	1,300,575,000	[●]
Gagan Infraenergy Limited	47,250,000	3.50	47,250,000	[●]
Opelina Finance and Investment Limited	2,250	Negligible	2,250	[●]
Sub Total (A)	**1,347,827,250**	**99.93**	**1,347,827,250**	**[●]**
Promoter Group				
YNO Finvest Private Limited	520,650	0.04	520,650	[●]
Minerals Management Services (India) Limited	448,500	0.03	448,500	[●]
Jindal Coal Private Limited	1,500	Negligible	1,500	[●]
Chhattisgarh Energy Trading Company Limited	1,500	Negligible	1,500	[●]
Mr. Naveen Jindal##	150	Negligible	150	[●]
Ms. Shallu Jindal	150	Negligible	150	[●]
Ms. Deepika Jindal	150	Negligible	150	[●]
Ms. Sminu Jindal	150	Negligible	150	[●]
Sub Total (B)	**972,750**	**0.07**	**972,750**	**[●]**
Total Promoters and Promoter Group ((A) + (B))	**1,348,800,000**	**100.00**	**1,348,800,000**	**[●]**

[#]*Assuming none of the shareholders participate in the Issue.*
[##]*Mr. Naveen Jindal is also a director on the board of JSPL.*
^ 687,888,000 Equity Shares, held by JSPL, amounting to 51% of our issued and paid up capital are subject to pledge. The Equity Shares are pledged in favour of various lenders pursuant to loan agreements dated September 2, 2004 and December 17, 2005.

(c) ***Details of Promoters Contribution locked-in for three years***

Pursuant to the SEBI Regulations, an aggregate of 20% of the post-Issue Equity Share Capital of our Company shall be locked in by the Promoters for a period of three years from the date of Allotment.

All shares of our Company held by JSPL are eligible for promoters contribution, except 687,888,000 Equity Shares, being 51% of our issued and paid up capital, that are pledged with various lenders pursuant to loan agreements dated September 2, 2004 and December 17, 2005. All the shares of our Company held by Jindal Steel & Power Limited, one of our Promoters, is held in dematerialized form.

[●] Equity Shares, aggregating to 20.00% of the post-Issue equity capital of our Company, held by Jindal Steel & Power Limited, shall be locked in for a period of three years from the date of Allotment in the Issue.

Name of the Promoter	Number of Equity Shares locked-in pursuant to this Issue	% of pre-Issue capital	% of post-Issue capital
Jindal Steel & Power Limited	[●]	[●]	20.00%

The Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as promoters under the SEBI Regulations. The Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution under regulation 33 of the SEBI Regulations. In this connection, as per regulation 33 of the SEBI Regulations, we confirm the following:

- The Equity shares offered for minimum 20% Promoters' contribution are not acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalisation of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources or against shares which are otherwise ineligible for computation of Promoters' contribution;

- The minimum Promoters' contribution does not include any Equity Shares acquired during the preceding one year at a price lower than the price at which Equity Shares are being offered to the public in the Issue;

- The Equity shares offered for minimum 20% Promoters' contribution were not issued to the Promoters' upon conversion of a partnership firm;

- The Equity Shares held by the Promoters' and offered for minimum 20% Promoters' contribution are not subject to any pledge; and

- The minimum Promoters' contribution does not consist of Equity Shares for which specific written consent has not been obtained from the respective Promoters for inclusion of their subscription in the minimum Promoters' contribution subject to lock-in.

(d) ***Details of Equity Shares locked in for one year***

In terms of regulation 33 of the SEBI Regulations, other than the above Equity Shares that are locked in for three years, the entire pre-Issue capital would be locked-in for a period of one year from the date of Allotment in the Issue.

(e) ***Lock-in of Equity Shares allotted to Anchor Investors***

Further, Equity Shares Allotted to Anchor Investors, in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment of Equity Shares in the Issue.

(f) ***Other requirements in respect of lock-in***

As per regulation 39 read with regulation 36 (b) of the SEBI Regulations, the locked in Equity Shares held by the Promoters, as specified above, may be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan. Provided that if any Equity Shares are locked in as minimum Promoters' contribution under regulation 39(a) of the SEBI Regulations, the same may be pledged, only if, in addition to fulfilling the above requirement, the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the Objects of the Issue.

In terms of regulation 40 of the SEBI Regulations, the Equity Shares held by the Promoters' may be transferred *inter se* or to new promoters 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 SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

As per regulation 40 of the SEBI Regulations, the Equity Shares held by persons other than Promoters' prior to the Issue may be transferred to any other person holding Equity Shares which are locked-in as per regulation 37 of the SEBI Regulations, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

JSPL has applied to various banks/financial institutions for de-pledging all shares provided under pledge pursuant to various financing arrangements for the limited purposes of creating lock-in of one year from the date of allotment under the Issue as required under the SEBI Regulations. The applications have been made subject to the condition that the same shares will be re-pledged immediately after compliance with the lock-in requirements as per the SEBI regulations described above.

4. Shareholding pattern

The following table presents the shareholding pattern of our Company:

Category Code	Category of Shareholders	Number of Shareholders	Total Number of shares	Number of Shares Held in dematerialized form	Total Shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of A+B	As a percentage A+B+C	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV) *100
(A)	**Shareholding of Promoter and Promoter Group**							
1	**Indian**							
a	Individuals/Hindu Undivided Family	4	600	0	0.00	0.00	0	0.00
b	Central Government/State Government	0	0	0	-	-	0	0.00
c	Bodies Corporate	7	1,348,799,400	1,300,575,000	100.00	100.00	687,888,000	51.00
d	Financial Institutions/Banks	0	0	0	-	-	0	0.00
e	Any Other (specify)	0	0	0	-	-	0	0.00
	Sub-Total (A) (1)	**11**	**1,348,800,000**	**1,300,575,000**	**100.00**	**100.00**	**687,888,000**	**51.00**
2	**Foreign**							
a	Individuals(Non-Resident Individuals)	0	0	0	-	-	0	0.00
b	Bodies Corporate i.e. OCBs	0	0	0	-	-	0	0.00
c	Institutions	0	0	0	-	-	0	0.00
d	Any Other (specify)				-	-	0	0.00
	Sub-Total (A) (2)	**0**	**0**	**0**	**-**	**-**	**0**	0.00
	Total Shareholding of Promoter and Promoter Group (A)(1)+(A)(2)	**11**	**1,348,800,000**	**1,300,575,000**	**100.00**	**100.00**	**687,888,000**	**51.00**
(B)	**Public Shareholding**				-	-		
1	**Institutions**				-	-		
a	Mutual Funds/UTI	0	0	0	-	-	0	0

Category Code	Category of Shareholders	Number of Shareholders	Total Number of shares	Number of Shares Held in dematerialized form	Total Shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
b	Financial Institutions/Banks	0	0	0	-	-	0	0
c	Central Government/State Government(s)	0	0	0	-	-	0	0
d	Venture Capital Fund	0	0	0	-	-	0	0
e	Insurance Companies	0	0	0	-	-	0	0
f	Foreign Institutional Investors	0	0	0	-	-	0	0
g	Foreign Venture Capital Investors	0	0	0	-	-	0	0
h	Any Other (specify)	0	0	0	-	-	0	0
	Sub-Total (B) (1)	**0**	**0**	**0**	**-**	**-**	**0**	**0**
2	**Non-Institutions**				-	-	0	0
a	Bodies Corporate	0	0	0	-	-	0	0
b	Individuals	0	0	0	-	-	0	0
I	Individual Shareholders holding nominal Share Capital value upto Rs. 1 lakh	0	0	0	-	-	0	0
II	Individual Shareholders holding nominal Share Capital value In excess of Rs. 1 lakh	0	0	0	-	-	0	0
c	**Any Other (specify)**				-	-	0	0
i	Trust	0	0	0	-	-	0	0
ii	NRI's	0	0	0	-	-	0	0
iii	OCB's	0	0	0	-	-	0	0
iv	Foreign Nationals	0	0	0	-	-	0	0
	Sub-Total (B) (2)	**0**	**0**	**0**	-	-	**0**	0
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**0**	**0**	**0**	-	-	**0**	**0**
	Total (A)+(B)	**11**	**1,348,800,000**	**1,300,575,000**	**100.00**	**100.00**	**687,888,000**	**51.00**
(C)	**Share held by Custodian and against which Depository Receipts**	0	0	0	-	-	0	0
	Grand Total (A)+(B)+(C)	**11**	**1,348,800,000**	**1,300,575,000**	**100.00**	**100.00**	**687,888,000**	**51.00**

5. The list of our shareholders and the number of Equity Shares held by them is as under:

(a) Our shareholders as of the date of this Draft Red Herring Prospectus are as follows:

S. No.	Shareholder	No. of Equity Shares	Percentage of shareholding
1.	Jindal Steel & Power Limited	1,300,575,000	96.43
2.	Gagan Infraenergy Limited	47,250,000	3.50
3.	YNO Finvest Private Limited	520,650	0.04
4.	Minerals Management Services (India) Limited	448,500	0.03
5.	Opelina Finance and Investment Limited	2,250	Negligible
6.	Jindal Coal Private Limited	1,500	Negligible
7.	Chhattisgarh Energy Trading Company Limited	1,500	Negligible
8.	Mr. Naveen Jindal	150	Negligible
9.	Ms. Shallu Jindal	150	Negligible
10.	Ms. Deepika Jindal	150	Negligible
11.	Ms. Sminu Jindal	150	Negligible
	Total	**1,348,800,000**	**100.00**

(b) Our shareholders 10 days prior to the filing of this Draft Red Herring Prospectus are as follows:

S. No.	Shareholder	No. of Equity Shares	Percentage of shareholding
1.	Jindal Steel & Power Limited	1,300,575,000	96.43

S. No.	Shareholder	No. of Equity Shares	Percentage of shareholding
2.	Gagan Infraenergy Limited	47,250,000	3.50
3.	YNO Finvest Private Limited	520,650	0.04
4.	Minerals Management Services (India) Limited	448,500	0.03
5.	Opelina Finance and Investment Limited	2,250	Negligible
6.	Jindal Coal Private Limited	1,500	Negligible
7.	Chhattisgarh Energy Trading Company Limited	1,500	Negligible
8.	Mr. Naveen Jindal	150	Negligible
9.	Ms. Shallu Jindal	150	Negligible
10.	Ms. Deepika Jindal	150	Negligible
11.	Ms. Sminu Jindal	150	Negligible
	Total	**1,348,800,000**	**100.00**

(c) Our shareholders as of two years prior to the date of filing of this Draft Red Herring Prospectus were as follows:

S. No.	Shareholder	No. of Equity Shares	Percentage of shareholding
1.	Jindal Steel & Power Limited	867,050,000	99.93
2.	YNO Finvest Private Limited	348,600	0.04
3.	Minerals Management Services (India) Limited	299,000	0.03
4.	Jindal Coal Private Limited	1,000	Negligible
5.	Chhattisgarh Energy Trading Company Limited	1,000	Negligible
6.	Mr. Naveen Jindal	100	Negligible
7.	Ms. Shallu Jindal	100	Negligible
8.	Ms. Deepika Jindal	100	Negligible
9.	Ms. Sminu Jindal	100	Negligible
	Total	**867,700,000**	**100.00**

6. [●] Equity Shares or [●]% of the post-Issue paid-up capital of the Company, have been reserved for allocation to Eligible Employees on a proportionate basis, subject to valid Bids being received at or above the Issue Price. An Employee Discount of Rs. [●] to the Issue Price has been offered to Eligible Employees. Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion on a competitive basis. Bids by Eligible Employees can also be made in the Net Issue and such Bids shall not be treated as multiple Bids. If the aggregate demand in the Employee Reservation Portion is greater than [●] Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis. The Employee Reservation Portion will not exceed 5% of the post-Issue capital of the Company.

7. Any unsubscribed portion in any reserved category shall be added to the Net Issue to the public. In case of under-subscription in the Net Issue to the public category, spill-over to the extent of under-subscription shall be permitted from the reserved category to the Net Issue to the public. If at least 60% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded. In the event that the aggregate demand in the QIB Portion has been met, under subscription in any other category, if any, would be allowed to be met with spill-over from other categories or combination of categories at the discretion of our Company in consultation with the BRLMs, the CBRLM and the Designated Stock Exchange.

8. All Equity Shares offered through the Issue will be fully paid up at the time of allotment.

9. Except acquisition of 1,500 Equity Shares by Opelina Finance and Investment Limited, one of our Promoters, from YNO Finvest Private Limited, at a price of Rs. 100.00 per Equity Share, neither the members of our Promoter Group nor our Promoters nor the directors of Jindal Steel & Power Limited nor the directors of Opelina Finance and Investment Limited nor the Directors of Gagan Infraenergy Limited nor our Directors and their immediate relatives have purchased or sold any Equity Shares during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus with SEBI.

10. Except Mr. Naveen Jindal, none of our Directors or directors of our Promoters holds Equity Shares of our Company. For details, see "***Our Management***" on page 135.

11. None of our key managerial employees holds any Equity Shares.

12. As of the date of the filing of this Draft Red Herring Prospectus, the total number of holders of our Equity Shares is 11.

13. We have not issued any Equity Shares out of revaluation reserves or for consideration other than cash.

14. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder.

15. Over-subscription to the extent of 10% of the net offer to the public can be retained for the purpose of rounding off to the nearer multiple of minimum allotment lot.

16. Our Promoters, our Company, our Directors, the BRLMs and the CBRLM have not entered into any buy-back or standby arrangements for purchase of Equity Shares from any person.

17. The BRLMs and the CBRLM and their associates currently do not hold any Equity Shares in our Company.

18. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into our Equity Shares as on the date of this Draft Red Herring Prospectus.

19. Our Company has not raised any bridge loans against the Net Proceeds.

20. We presently do not intend or propose any further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment and rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

21. We presently do not intend or propose to alter our capital structure from the date of submission of this Draft Red Herring Prospectus until the Equity Shares have been listed on the Stock Exchanges. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group between the date of registering the Red Herring Prospectus with the RoC and the Bid/Issue Closing Date shall be reported to the Stock Exchanges within 24 hours of such transaction.

22. We presently do not intend or propose or haven't entered into any negotiations or considerations to alter our capital structure for a period of six months from the Bid/Issue Opening Date, 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 if we enter into acquisitions, joint ventures or other arrangements, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures or any other arrangements, as the case may be.

23. 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.

24. There has been no financing arrangement whereby the Promoter Group, the directors of our Promoters, the Directors of the Company and their relatives have financed the purchase by any other person of securities of the Company other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus with SEBI.

25. Our Promoters and members of the Promoter Group will not participate in this Issue.

OBJECTS OF THE ISSUE

The objects of the Issue are to:

1. Part finance the construction and development of the Identified Projects consisting of:
   a) 2,400 MW coal based power project located at Tamnar, Raigarh in Chhattisgarh ("Tamnar II Project");
   b) 1,320 MW coal based power project located at Dumka in Jharkhand ("Dumka Project"); and
   c) 660 MW coal based power project located at Godda in Jharkhand ("Godda Project").
2. General corporate purposes;
3. Achieve the benefits of listing on the Stock Exchanges.

The main objects and objects incidental or ancillary to the main objects set out in 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. Further, we confirm that the activities we have been carrying out until now are in accordance with the objects clause of our Memorandum of Association.

Proceeds of the Issue

The details of the proceeds of the Issue are summarized in the table below:

(*Rs. in millions*)

Particulars	Amount
Gross proceeds of the Issue	72,000
Estimated Issue expenses [(1)]	[●]
Net Proceeds of the Issue [(1)]	[●]

[(1)] *To be finalized upon determination of Issue Price.*

Requirement of Funds and Use of Net Proceeds of the Issue

The Net Proceeds of the Issue are currently expected to be utilized in accordance with the schedule set forth below:

(*Rs. in millions*)

Project/ Activity	Amount proposed to be financed from the Net Proceeds of the Issue	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015
1. Part finance the construction and development of the Identified Projects						
a) Tamnar II Project	27,807.17	4,705.46	8,092.30	12,184.16	2,825.25	-
– *First Phase*	*14,634.95*	*2,558.25*	*6,278.55*	*5,798.15*	-	-
– *Second Phase*	*13,172.22*	*2,147.21*	*1,813.75*	*6,386.01*	*2,825.25*	-
b) Dumka Project	21,664.68	6,494.28	125.98	5,714.44	8,170.10	1,159.88
c) Godda Project	10,998.00	3,299.40	88.94	3,290.41	4,319.25	-
2. General corporate purposes [(1)]	[●]	[●]	[●]	[●]	[●]	[●]
Total	**[●]**	**[●]**	**[●]**	**[●]**	**[●]**	**[●]**

1) To be finalized upon determination of Issue Price.

We may have to revise our estimated costs, funding allocation and fund requirements owing to factors such as geological assessments, exchange or interest rate fluctuations, changes in design and configuration of the projects, increase in input costs of steel and cement, other construction materials and labor costs, incremental rehabilitation, other pre-operative expenses and other external factors which may not be in our control. This may entail revising the planned expenditure and deployment schedule for the Identified Projects. In the event of a shortfall in raising the requisite capital from the Net Proceeds of the Issue towards meeting the objects of the Issue, the shortfall will be satisfied by way of such means available to our Company and at the discretion of the management, including by way of internal accruals, additional equity or debt infusion. Further, in the event of any shortfall of funds for any of the projects within the Identified Projects, we may decide to reallocate the Net

Proceeds of the Issue from other projects within the Identified Projects, to the projects where such shortfall has arisen.

Also see "***Risk Factors – Our plans require significant capital expenditures and if we are unable to obtain the necessary funds on acceptable terms for expansion, we may not be able to fund our projects and our business may be adversely affected.***" on page xvii.

The fund requirement in the table above is based on our current business plan. In view of the dynamic and competitive environment of the industries in which we operate, we may have to revise our business plan from time to time and consequently our capital requirements may also change. This may include rescheduling of our capital expenditure programs, increase or decrease in the capital expenditure for a particular purpose vis-à-vis current plans at the discretion of our management and requirements that may arise on account of new acquisitions, mergers and winning of various projects that we have either bid for or may bid in future. In case of any increase in the actual utilization of funds earmarked for the above activities, such additional fund for a particular activity will be met from a combination of internal accruals, additional equity or debt infusion. If the actual utilization towards any of the aforesaid objectives is lower than what is stated above, such balance will be used for future growth opportunities, including projects under development or any other project the Company undertakes and general corporate purposes. In the event any surplus is left out of the Issue proceeds after meeting all the aforesaid objectives, such surplus Issue proceeds will be used for general corporate purposes including for meeting future growth opportunities.

Cost of Identified Projects and Means of Finance

The estimated cost and means of finance of the Identified Projects is given below:

(Rs. in million)

S.No.	Project	Estimated Cost [1]	Means of Finance		
			Amount proposed to be financed from the Net Proceeds of the Issue	Amount incurred as of November 30, 2009 from the Internal Accruals of the Company [2]	Balance Amount
a)	Tamnar II Project	134,100.38	27,807.17	5,718.21	100,575.00
	- First Phase	*71,100.38*	*14,634.95*	*3,140.43*	*53,325.00*
	- Second Phase	*63,000.00*	*13,172.22*	*2,577.78*	*47,250.00*
b)	Dumka Project	72,240.00	21,664.68	7.32	50,568.00
c)	Godda Project	36,660.00	10,998.00	-	25,662.00
	Total	**243,000.38**	**60,469.85**	**5,725.53**	**176,805.00**

1) *Estimated costs as appraised by SBI Capital Markets Limited. Please refer to "Description of Identified Projects" below for further details.*
2) *As per the certificate of Lodha & Co., Chartered Accountants dated December 22, 2009 (Signing through Mr. Saurabh Chhajer, membership number 403325).*

Firm Arrangement

The total funds required for the Identified Projects are approximately Rs. 243,000.38 million. 75% of the stated means of finance, excluding Net Proceeds of the Issue have been arranged as follows:

(Rs. in million)

Particulars	Amount	
Estimated Cost for the Identified Projects		243,000.38
Amount proposed to be financed from the Net Proceeds of the Issue		60,469.85
Funds required excluding the Net Proceeds of the Issue		182,530.53
75% of the funds required excluding the Net Proceeds of the Issue		**136,897.90**
Arrangements regarding 75% of the funds required excluding the Net Proceeds of the Issue		
a. Sanctioned debt proposed to be utilized by the Company for [1] :		100,575.00
– First Phase of the Tamnar II Project	53,325.00	
– Second Phase of the Tamnar II Project	47,250.00	
b. Amount incurred as of November 30, 2009 from the Internal Accruals of the Company [2]		5,725.53

Particulars	Amount	
c. In-principle sanction letters accompanied by guarantees from the Promoters of the Company [3]		30,600.00
d. Cash and bank balances, short term inter corporate deposits and current investments of the Company as of November 30, 2009 [4]		16,133.50
i. Cash and bank balances	108.15	
ii. Short term inter corporate deposits	13,425.35	
iii. Investment – Mutual Funds	2,600.00	
Total		**153,034.03**

1) *Refer to "Sanction letters" on page 35 below for further details of sanction letters received from banks and financial institutions in respect of the first and second phases of the Tamnar II Project.*

2) *As per the certificate of Lodha & Co., Chartered Accountants dated December 22, 2009 (Signing through Mr. Saurabh Chhajer, membership number 403325).*

3) *In relation to the amount to be funded for the construction and development of the Dumka and Godda Projects, our Company has received in-principle sanction letters for an aggregate sanction amount of Rs. 57,172.5 million from UBS AG and USD 500 million from Deutsche Bank AG. Our Promoters, JSPL, Gagan Infraenergy and Opelina have given guarantees dated December 23, 2009, that they shall arrange or provide up to an aggregate amount of Rs. 30,600.00 million in financing to our Company for the Dumka and Godda Projects in the event our Company is unable to arrange debt financing for that amount. Refer to "In-principle sanction letters accompanied by guarantees from the Promoters of the Company" on page 36 below for further details.*

4) *As per the certificate of Lodha & Co., Chartered Accountants dated December 22, 2009 (Signing through Mr. Saurabh Chhajer, membership number 403325). Refer to "Cash and bank balances, short term inter corporate deposits and current investments of the Company as of November 30, 2009" on page 36 below for further details.*

Sanction letters

The following are the details of sanction letters received from banks and financial institutions in respect of the first and second phases of the Tamnar II Project:

(in Rs. million)

S.No.	Name of the bank/ financial institution	Amount sanctioned	Date of sanction
First Phase of the Tamnar II Project			
1.	Allahabad Bank	3,500.00	May 15, 2009
2.	Andhra Bank	2,000.00	June 16, 2009 read with letter dated October 19, 2009
3.	Bank of Maharashtra	2,000.00	August 12, 2009
4.	Corporation Bank	5,000.00	July 29, 2009
5.	Dena Bank	1,000.00	July 21, 2009
6.	Indian Bank	1,000.00	August 14, 2009
7.	Punjab & Sind Bank	1,500.00	July 8, 2009
8.	Punjab National Bank	12,000.00	June 15, 2009
9.	Oriental Bank of Commerce	2,000.00	October 12, 2009
10.	South India Bank	2,000.00	June 25, 2009 read with letter dated October 7, 2009
11.	State Bank of Hyderabad	2,500.00	July 14, 2009
12.	State Bank of India	13,500.00	September 29, 2009
13.	State Bank of Patiala	2,000.00	June 9, 2009
14.	State Bank of Travancore	2,000.00	August 21, 2009
15.	Syndicate Bank	2,000.00	July 13, 2009 read with letter dated November 21, 2009
16.	Union Bank of India	3,000.00	July 14, 2009
17.	United Bank of India	1,500.00	May 7, 2009
	Total	**58,500.00**	
Second Phase of the Tamnar II Project			
1.	Andhra Bank	2,000.00	October 19, 2009
2.	Canara Bank	5,000.00	November 4, 2009
3.	Corporation Bank	5,000.00	October 14, 2009
4.	IDBI Bank	4,000.00	November 25, 2009
5.	Infrastructure Development Finance Company Limited	4,000.00	October 30, 2009
6.	Life Insurance Corporation of India	8,000.00	November 18, 2009
7.	State Bank of Hyderabad	3,000.00	October 29, 2009
8.	State Bank of India	12,000.00	November 9, 2009
9.	State Bank of Patiala	1,000.00	November 16, 2009

S.No.	Name of the bank/ financial institution	Amount sanctioned	Date of sanction
10.	State Bank of Travancore	2,000.00	November 24, 2009
11.	UCO Bank	3,000.00	November 10, 2009
12.	Union Bank of India	2,500.00	October 22, 2009
13.	United Bank of India	2,000.00	October 23, 2009
	Total	**53,500.00**	

1) *As per the certificate of Lodha & Co., Chartered Accountants dated December 22, 2009 (Signing through Mr. Saurabh Chhajer, membership number 403325), as of November 30, 2009, the Company has not drawn down the aforementioned facilities.*

In-principle sanction letters accompanied by guarantees from the Promoters of the Company

The following are the details of in-principle sanction letters received from banks and financial institutions:

S. No.	Name of the bank/ financial institution	Project	Currency	Amount sanctioned (in Millions)	Date of sanction
1.	UBS AG	Dumka Project	Indian Rupees	37,926	December 16, 2009
2.	UBS AG	Godda Project	Indian Rupees	19,246.5	December 16, 2009
3.	Deutsche Bank AG	Dumka Project	US Dollar	425	December 16, 2009
4.	Deutsche Bank AG	Godda Project	US Dollar	75	December 16, 2009

Our Promoters, JSPL, Gagan Infraenergy and Opelina have given guarantees dated December 23, 2009, that they shall arrange or provide up to an aggregate amount of Rs. 30,600.00 million in financing to our Company for the Dumka and Godda Projects in the event our Company is unable to arrange debt financing for that amount. The details of the aforementioned guarantees and measurable unencumbered net worth of our Promoters is given below:

(in Rs. million)

S. No.	Promoter	Date of Guarantee	Guarantee Amount	Measurable unencumbered net worth of the Promoter	33% of measurable unencumbered net worth of the Promoter
1.	JSPL	December 23, 2009	2,775.00	48,151.91 (1)	15,890.13 (1)
2.	Gagan Infraenergy	December 23, 2009	13,175.00	39,936.02 (2)	13,178.88 (2)
3.	Opelina	December 23, 2009	14,650.00	44,408.23 (3)	14,654.72 (3)
	Total		**30,600.00**	**132,496.16**	**43,723.73**

1) *As evidenced by the certificate dated December 22, 2009 given by Lodha & Co., Chartered Accountants (Signing through Mr. Saurabh Chhajer, membership number 403325).*
2) *As evidenced by the certificate dated December 22, 2009 given by Lodha & Co., Chartered Accountants (Signing through Mr. Saurabh Chhajer, membership number 403325).*
3) *As evidenced by the certificate dated December 22, 2009 given by Lodha & Co., Chartered Accountants (Signing through Mr. Saurabh Chhajer, membership number 403325).*

Also, see ***"Material Contracts and Documents for Inspection"*** on page 332.

Cash and bank balances, short term inter corporate deposits and current investments of the Company as of November 30, 2009

As per the certificate of Lodha & Co., Chartered Accountants dated December 22, 2009 (Signing through Mr. Saurabh Chhajer, membership number 403325), our Company had cash and bank balances, short term inter corporate deposits and current investments for an amount aggregating Rs. 16,133.50 million as of November 30, 2009, the details of which are given below:

(in Rs. million)

Particulars	Amount
Cash and bank balances	108.15
Short term inter corporate deposits	13,425.35
Investment – Mutual Funds	2,600.00
Total	**16,133.50**

As per the terms of the inter corporate deposit receipts, the deposit amounts are required to be paid on demand.

In view of above, we confirm that our Company has made firm arrangement of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through the proposed issue and existing identifiable internal accruals.

Expenditure Schedule

The amount deployed by our Company as on November 30, 2009 and year-wise break-up of the balance expenditure proposed to be incurred on the Identified Projects is set forth below:

(Rs. in million)

S. No.	Project	Amount incurred as of November 30, 2009 from the Internal Accruals of the Company (1)	Year-wise break-up of the Balance Expenditure Proposed to be Incurred					
			Remaining Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015
a)	Tamnar II Project	5,718.21	800.00	30,064.63	37,479.93	48,736.63	11,300.98	-
	- First Phase	*3,140.43*	*400.00*	*19,253.13*	*25,114.21*	*23,192.61*	-	-
	- Second Phase	*2,577.78*	*400.00*	*10,811.50*	*12,365.72*	*25,544.02*	*11,300.98*	-
b)	Dumka Project	7.32	-	7,841.95	14,242.66	19,048.13	27,233.66	3,866.28
c)	Godda Project	-	-	3,975.59	7,318.86	10,968.03	14,397.52	-
	Total	**5,725.53**	**800.00**	**41,882.17**	**59,041.45**	**78,752.79**	**52,932.16**	**3,866.28**

1) As per the certificate of Lodha & Co., Chartered Accountants dated December 22, 2009 (Signing through Mr. Saurabh Chhajer, membership number 403325).

Description of the Identified Projects

A brief description of the Identified Projects is given below:

a) Tamnar II Project

We are developing our Tamnar II Project as a coal-fired power project at Tamnar in district Raigarh, Chhattisgarh. The project is adjacent to our operational 1,000 MW Tamnar I Project. The project will comprise of four sub-critical units of 600 MW each. We plan to finance the Tamnar II Project in two phases of 1,200 MW each. We have entered into two MoUs with the Government of Chhattisgarh ("GoC") for the development of this power project.

The primary fuel supply for the Tamnar II Project will be coal. We have applied to the Ministry of Coal, Government of India ("GoI") for a long-term coal linkage in Raigarh, Chhattisgarh.

We intend to implement this project by procuring equipment in various packages rather than through a turnkey EPC contract. We are following international competitive bidding for procuring equipment for this project and have invited bids for critical packages required for this project. We have entered into two contract agreements dated October 29, 2009 with Bharat Heavy Electricals Limited ("BHEL") for the supply of the main Boiler, Turbine and Generator ("BTG") plant package of 4 x 600 MW units and for the erection, testing, commissioning and transportation of the main plant package for an aggregate contract price of Rs. 50,400.00 million. We have appointed Development Consultants Private Limited ("DCPL") for providing engineering consultancy services in relation to our Tamnar II Project vide a letter of intent dated February 10, 2009 issued by our Company and accepted by DCPL for a total order value of Rs. 108.00 million.

For further details in relation to the Tamnar II Project refer to the section titled ***"Our Business"*** on page 71. For further details on key contracts and government approvals received by us in relation to the Tamnar II Project refer to the section titled ***"Description of Certain Key Contracts"*** and ***"Government and Other Approvals"*** on pages 96 and 245 of this Draft Red Herring Prospectus.

Estimated cost

The total cost of setting-up the Tamnar II Project is estimated at Rs. 134,100.38 million comprising of an estimated cost of Rs. 71,100.38 million for the first phase of the project and Rs. 63,000.00 million for the second

phase of the project. Both phases of the Tamnar II Project have been appraised by SBI Capital Markets Limited in accordance with the Information Memorandum dated March 4, 2009 (for the first phase), Information Memorandum dated August, 2009 (for the second phase) and clarification letter thereto dated December 21, 2009 (the "***Tamnar II Clarification Letter***"). The detailed break down of the estimated cost as appraised by SBI Capital Markets Limited is as follows:

(Rs. in million)

S.No.	Item	Estimated Cost		
		First Phase	**Second Phase**	**Total**
		(A)	**(B)**	**(C = A + B)**
1	Land	600.00	430.20	1,030.20
2.	Boiler, turbine and generator ("BTG")	26,450.00	26,450.00	52,900.00
3.	Mechanical, electrical and civil works (Balance of plant)	15,190.00	15,020.00	30,210.00
4.	Water arrangement	2,950.00	-	2,950.00
5.	Transmission line	4,686.00	1,780.00	6,466.00
6.	Coal transportation arrangement	5,200.00	900.00	6,100.00
7.	Housing colony/ cost	500.00	500.00	1,000.00
8.	Taxes and duties	2,502.46	5,798.58	8,301.04
9.	Pre-operative expenditure (including finance charges)	1,463.44	1,225.91	2,689.35
10.	Interest during construction period	8,975.54	7,971.03	16,946.57
11.	Margin money for working capital	737.94	735.06	1,473.00
12.	Contingencies	1,845.00	2,189.22	4,034.22
	Total	**71,100.38**	**63,000.00**	**134,100.38**

Land

The total land requirement for the Tamnar II Project is estimated at approximately 1,762 acres and the total cost of the land is estimated at Rs. 1,030.20 million. This includes the land required for the power plant, ash dyke, related green belt areas and housing colony, but excludes land required for setting-up coal transportation systems, railway sidings, right of use and right of way for water pipelines, transmission lines etc.

We have received title to approximately 330.36 acres of land as of November 30, 2009, in relation to this project and intend to acquire the balance in a phased manner. As per the certificate of Lodha & Co., Chartered Accountants dated December 22, 2009 (Signing through Mr. Saurabh Chhajer, membership number 403325), as of November 30, 2009, we had incurred an expenditure of Rs. 30.11 million towards acquisition of land for this project. We confirm that the entities from whom the land has been acquired are not related to the Promoter or Directors of our Company. We do not intend to use the Net Proceeds of the Issue towards the acquisition of land in relation to the project.

Boiler, turbine and generator ("BTG")

We have entered into two contract agreements dated October 29, 2009 with BHEL for the supply of the main BTG plant package of 4 x 600 MW units and for the erection, testing, commissioning and transportation of the main plant package for an aggregate contract price of Rs. 50,400.00 million. These contracts are on a fixed cost basis, except for variation in the foreign exchange rates and customs duty on imported components relating to the supply of the main BTG plant package. The aggregate contract price of Rs. 50,400.00 million as above excludes the cost of mandatory spares, taxes and other duties. The total cost of the BTG package including mandatory spares, but excluding taxes and duties, is estimated to be Rs. 52,900.00 million. Based on the aforementioned, the total cost of the BTG package including mandatory spares, but excluding taxes and duties, for each phase of 2 x 600 MW is estimated at Rs. 26,450.00 million.

Mechanical, electrical and civil works (Balance of plant)

Balance of plant comprises of mechanical, electrical and civil works for the project including site development, and engineering, procurement and construction of cooling towers, fire fighting and protection systems, demineralization plant, ash handling plant, coal handling plant, switchyard, chimney, ash dyke etc. The total cost for mechanical, electrical and civil works for the Tamnar II Project is estimated at Rs. 30,210.00 million, comprising of Rs. 15,190.00 million for the first phase of the project and Rs. 15,020.00 million for the second phase of the project. No second hand plant and machinery have been ordered for the project

The details of the orders placed by us for the balance of plant in relation to the Tamnar II Project are given below:

S.No.	Name of Party	Type of Order	Total Order Value (Rs. million)	Date of Order
1	ITD Cementation India Limited	Execution of civil (piling) works including provision of labor, construction equipments, supplying of all materials, manpower, tools and tackles, consumables etc.	696.81	July 20, 2009

The execution/ supply of the above are in progress.

Water arrangement

We intend to source the requirements of water for the project from the Mahanadi river. The water arrangement involves the construction of a weir, a raw water reservoir and pump house as well as installation of raw water pipelines up to the plant. The cost for water arrangement is estimated at Rs. 2,950.00 million, and is expected to meet the water requirements of both phases of the Tamnar II Project.

Transmission line

The total cost of the transmission line system has been estimated at Rs. 6,466.00 million, comprising of Rs. 4,686.00 million for the first phase of the project and Rs. 1,780.00 million for the second phase of the project. For further details refer to the section titled ***"Our Business"*** on page 71.

Coal transportation arrangement

We propose to transport coal from the coal mines to the project site by rail in railway wagons. We plan to construct railway sidings at both the mine and plant to facilitate easy accessibility of the site locations by rail, and use dedicated rakes to transport coal. We may also construct a dedicated Merry-Go-Round ("MGR") system to transport coal on a continual basis upto a distance of approximately 80 kilometers between the mine and the plant. The total cost for constructing the railway sidings and MGR system, and purchasing five rakes, each with 60 wagons and a diesel locomotive, is estimated at Rs. 5,200.00 million. Although the aforementioned cost has been included as part of the estimated cost of the first phase of the Tamnar II Project, we expect to use these coal transportation arrangements as common facilities to meet the coal transportation requirements of both phases of the project. Furthermore, we intend to procure three additional rakes to transport coal as part of the second phase of the Tamnar II Project at an estimated cost of Rs. 900.00 million.

Housing colony/ cost

We plan to develop a housing colony along with necessary infrastructure including a hospital, school, shopping area and community center for our employees who will be working at the power plant under each phase of the Tamnar II Project. The total cost for the same has been estimated at Rs. 1,000.00 million, comprising of Rs. 500.00 million for the first phase of the project and Rs. 500.00 million for the second phase of the project.

Taxes and duties

Taxes and duties, including sales tax, service tax and entry tax, applicable to the first phase of the Tamnar II Project has been estimated at Rs. 2,502.46 million. The estimate excludes excise duty as this phase of the project has been assumed to be eligible for exemptions under the Mega Power policy. Should the project not be accorded Mega Power status, the excise duty impact has been estimated as approximately Rs. 4,583.00 million. See ***"Risk Factors – Our plans require significant capital expenditures and if we are unable to obtain the necessary funds on acceptable terms for expansion, we may not be able to fund our projects and our business may be adversely affected."*** on page xvii.

Taxes and duties applicable to the second phase of the Tamnar II Project, including custom duty, countervailing duty and special additional duty, works contract tax, excise duty and sales tax, service tax etc. has been estimated at Rs. 5,798.58 million.

Based on the above, the total estimated cost of taxes and duties is Rs. 8,301.04 million.

Pre-operative expenditure (including finance charges)

Pre-operative expenses includes fees to be paid towards technical studies conducted by engineers, legal expenses for fees payable to legal counsels, insurance advisor's fees, start up fuel, construction power, employees recruitment, training and salaries, appraisal fees, upfront fees to lenders, advisors fees, other expenses etc. The total estimated pre-operative expenditure (including finance charges) for the Tamnar II Project is estimated at Rs. 2,689.35 million, comprising of Rs. 1,463.44 million for the first phase of the project and Rs. 1,225.91 million for the second phase of the project.

Interest during construction period

The cost of interest during construction of the two phases of the Tanmar II Project has been computed based on the capital expenditure phasing schedule estimated with an equity contribution and debt financing mix. The debt drawdown has been formulated based on an equity contribution of 30% equity being brought upfront and the balance expected to be made on a pro rata basis with the debt. The interest rate considered for the construction period has been assumed at 12.0% per annum for first phase and 11.75% per annum for the second phase of the Tamnar II Project. The total estimated interest during construction period for the Tamnar II Project is estimated at Rs. 16,946.57 million, comprising of Rs. 8,975.54 million for the first phase of the project and Rs. 7,971.03 million for the second phase of the project.

Margin money for working capital

We have made a total provision of Rs. 1,473.00 million, comprising of Rs. 737.94 million for the first phase and Rs. 735.06 million for the second phase of the Tamnar II Project, towards margin money for working capital based on an estimated rate of 25% of the projected net working capital requirement in the first full year of operation for the both phases of the project. For the purpose of estimates, the current assets comprising of receivables of 2 months, primary fuel stock of 2 months, secondary fuel stock of 2 months, operation and maintenance expenses of 1 month and spares requirement of 20% of the operation and maintenance expenses have been assumed.

Contingencies

We have created a provision for contingency of Rs. 1,845.00 million and Rs. 2,189.22 million to cover an increase in the estimated cost for the first and second phases of the Tanmar II Project. Based on this, the total estimated cost of contingencies is Rs. 4,034.22 million

Schedule of Implementation

The expected schedule of implementation for the first and second phases of the Tanmar II Project as per the Tamnar II Clarification Letter prepared by SBI Capital Markets Limited is given below:

Milestone/ Activity	**Estimated date of completion/ Status**	
	First Phase	**Second Phase**
Transmission line	May, 2012	October, 2012
Water Arrangement	May, 2012	-
Coal Transportation Arrangement	May, 2012	-
BTG Unit I Trial Runs	September, 2012	May, 2013
Commissioning of Unit I (1)	November, 2012	July, 2013
Commercial operation date of Unit I	December, 2012	August , 2013
BTG Unit II Trial Runs	January 2013	September, 2013
Commissioning of Unit II (1)	March 2013	November, 2013
Commercial operation date of entire phase	April, 2013	December , 2013

Notes:

1) As per the contract agreement with BHEL effective December 27, 2008, for the supply of the main BTG plant package, the equipment shall be supplied so as to enable commissioning of Unit I and II of the first phase of the project within 41 and 45 months of the effective date of the contract, and Unit I and II of the second phase of the project within 49 and 53 months of the effective date of the contract. However, as per the Information Memorandums for debt financing for the first phase and the second phase, and the Tamnar II Clarification Letter, the implementation schedule has been conservatively assumed to be 47, 51, 55 and 59 months respectively for the units.

Funds Deployed

As per the certificate of Lodha & Co., Chartered Accountants dated December 22, 2009 (Signing through Mr. Saurabh Chhajer, membership number 403325) as of November 30, 2009, the Company has deployed a total of Rs. 5,718.21 million towards the Tanmar II Project. The same has been financed from the internal accruals of the Company. As per the certificate of Lodha & Co., Chartered Accountants dated December 22, 2009 (Signing through Mr. Saurabh Chhajer, membership number 403325), the details of the funds deployed as of November 30, 2009 towards the first and second phases of the Tanmar II Project are given below:

(Rs. in million)

S.No.	Item	Amount deployed as of November 30, 2009		
		First Phase	Second Phase	Total
		(A)	(B)	(C = A + B)
1.	Land	30.11	-	30.11
2.	Boiler, turbine and generator ("BTG")	2,520.00	2,520.00	5,040.00
3.	Mechanical, electrical and civil works (Balance of plant)	372.35	-	372.35
4.	Water arrangement	57.78	57.78	115.56
5.	Housing colony cost	102.53	-	102.53
6.	Pre-operative expenditure (including finance charges)	57.66	-	57.66
	Total	**3,140.43**	**2,577.78**	**5,718.21**

b) Dumka Project

We are developing our Dumka Project as a coal-fired power project in district Dimka, Jharkhand. The project will comprise of two super-critical units of 660 MW each with an aggregate capacity of 1,320 MW of power.

The primary fuel for the Dumka Project will be coal. On January 17, 2008, the Ministry of Coal allocated to JSPL, 205 million tons of coal reserves in the Amarakonda – Murgadangal coal block. As per the terms of the allocation letter JSPL formed a joint venture, Shrestha Mining and Metals Private Limited ("SMMPL") for coal mining in respect of this coal block. We have entered into a 25 year long-term coal supply agreement with SMMPL for the supply of coal for this power project, subject to the approval of the Ministry of Coal.

We are in the process of appointing the consultants for providing engineering consultancy services in relation to our Dumka Project and are also evaluating alternatives for implementing the project on an EPC basis or through multiple packages.

For further details in relation to the Dumka Project refer to the section titled ***"Our Business"*** on page 71. For further details on key contracts and government approvals received by us in relation to the Dumka Project refer to the section titled ***"Description of Certain Key Contracts"*** and ***"Government and Other Approvals"*** on pages 96 and 245.

Estimated cost

The total estimated cost of setting-up the Dumka Project is estimated at Rs. 72,240.00 million. The Dumka Project have been appraised by SBI Capital Markets Limited in accordance with the Information Memorandum dated November, 2009 and clarification thereto dated December 21, 2009 (the "***Dumka Clarification Letter***"). The detailed break down of the estimated cost as appraised by SBI Capital Markets Limited is as follows:

(Rs. in million)

S.No.	Item	Estimated Cost
1.	Land	450.00
2.	Boiler, turbine and generator ("BTG")	39,266.00
3.	Mechanical, electrical and civil works (Balance of plant)	12,255.50
4.	Water arrangement	1,000.00
5.	Transmission line	1,350.00
6.	Coal transportation arrangement	350.00
7.	Housing colony/ cost	300.00
8.	Taxes and duties	7,966.75
9.	Pre-operative expenditure (including finance charges)	1,008.44
10.	Interest during construction period	6,560.86
11.	Margin money for working capital	369.77
12.	Contingencies	1,362.68
	Total	**72,240.00**

Land

The total cost of acquisition of land for this project is estimated at Rs. 450.00 million. This includes the land required for the power plant, ash dyke, related green belt areas and a housing colony, but excludes land required for right of use and right of way for setting-up conveyor for coal transportation, water pipelines, transmission lines etc.

Applications for acquisition of land for 1,117.38 acres in relation to this project have been made to the GoJ. While the applications to the GoJ has been made by JSPL, the final award of land is intended to be made in the name of JPL. We do not intend to use the Net Proceeds of the Issue towards the acquisition of land in relation to the project.

Boiler, turbine and generator ("BTG")

As per the Dumka Clarification Letter, the base BTG cost has been estimated at Rs. 38,020.00 million including freight and insurance, but excluding cost of spares, taxes and duties. The total cost of the BTG package including mandatory spares, but excluding taxes and duties, is estimated to be Rs. 39,266.00 million. We are evaluating alternatives for implementing the project on an EPC basis or through multiple packages and no orders have been placed in relation to the BTG component of this project.

Mechanical, electrical and civil works (Balance of plant)

Balance of plant comprises of mechanical, electrical and civil works for the project including site development, and engineering, procurement and construction of cooling towers, fire fighting and protection systems, demineralization plant, ash handling plant, coal handling plant, switchyard, chimney, ash dyke etc. The total estimated cost for mechanical, electrical and civil works for the Dumka Project is estimated at Rs. 12,255.50 million. We have not placed orders in relation to the balance of plant component of this project. Furthermore, no second hand plant and machinery have been ordered for the project.

Water arrangement

We intend to source the requirements of water for the project from the Dwarka and Brahmani rivers by means of raw water pipelines. The water arrangement involves the building a barrage across the two rivers, construction of pump houses and a raw water reservoir, and installation of raw water pipelines up to the plant. The cost for water arrangement is estimated at Rs. 1,000.00 million.

Transmission line

The power generated by the Dumka Project is proposed to be evacuated through a double circuit 400 KV quad moose transmission line of approximately 100 kilometers which will connect the plant to the Maithan sub-station of PGCIL. The sub-station is intended to be used to deliver power to JSPL and other off-takers. Power is intended to be evacuated by taking opening access from PGCIL and the state transmission utilities. The estimated cost of transmission line system is Rs. 1,350.00 million.

Coal transportation arrangement

For the supply of coal from the Amarakonda – Murgadangal coal block to the project site, we plan to implement an automatic over-the-ground pipe conveyor system with a length of approximately 15 kilometers. The estimated cost of coal transportation arrangement is Rs. 350.00 million.

Housing colony/ cost

We plan to develop a housing colony along with necessary infrastructure including a hospital, school, shopping area and community center for our employees who will be working at the power plant. The total estimated cost for the same is Rs. 300.00 million.

Taxes and duties

Taxes and duties, including custom duty, countervailing duty and special additional duty, works contract tax, excise duty and sales tax, service tax etc. has been estimated at Rs. 7,966.75 million.

Pre-operative expenditure (including finance charges)

Pre-operative expenses include fees to be paid towards technical studies conducted by engineers, legal expenses for fees payable to legal counsels, insurance advisor's fees, start up fuel, construction power, employees recruitment, training and salaries, appraisal fees, upfront fees to lenders, advisors fees, other expenses etc. The total estimated pre-operative expenditure (including finance charges) for the Dumka Project is estimated at Rs. 1,008.44 million.

Interest during construction period

The cost of interest during construction of the Dumka Project has been computed based on the capital expenditure phasing schedule estimated with an equity contribution and debt financing mix. The debt drawdown has been formulated based on an equity contribution of 30% equity being brought upfront and the balance expected to be made on a pro rata basis with the debt. The interest rate considered for the construction period has been assumed at 11.50% per annum. The total estimated interest during construction period for the Dumka Project is estimated at Rs. 6,560.86 million.

Margin money for working capital

We have made a total provision of Rs. 369.77 million towards margin money for working capital based on an estimated rate of 25% of the projected net working capital requirement in the first full year of operation of the project. For the purpose of estimates, the current assets comprising of receivables of 2 months, primary fuel stock of 2 months, secondary fuel stock of 2 months, operation and maintenance expenses of 1 month and spares requirement of 20% of the operation and maintenance expenses have been assumed. 25% of the margin money has been included in the project cost.

Contingencies

We have created a provision for contingency of Rs. 1,362.68 million to cover an increase in estimated cost under the Dumka Project.

Schedule of Implementation

The expected schedule of implementation for the Dumka Project as per the Dumka Clarification Letter prepared by SBI Capital Markets Limited is given below:

Milestone/ Activity	Estimated date of completion
Notice to proceed with EPC/ BTG contract	April , 2010
Transmission line	April, 2013
Water Arrangement	April, 2013
Coal Transportation Arrangement	April, 2013
BTG Unit I Trial Runs	October, 2013
Commissioning of Unit I	December, 2013
Commercial operation date of Unit I	January , 2014
BTG Unit II Trial Runs	February, 2014
Commissioning of Unit II	April, 2014
Commercial operation date of entire project	May , 2014

Funds Deployed

As per the certificate of Lodha & Co., Chartered Accountants dated December 22, 2009 (Signing through Mr. Saurabh Chhajer, membership number 403325), as of November 30, 2009, the Company has deployed a total of Rs. 7.32 million on the Dumka Project towards the pre-operative expenditure of the project. The same has been financed from the internal accruals of the Company.

c) Godda Project

We are developing our Godda Project as a coal-fired power project in district Godda, Jharkhand. The project will comprise of one super-critical unit of 660 MW of power.

The primary fuel for the Godda Project will be coal. On February 20, 2007, the Ministry of Coal, GoI allocated to JSPL the Jitpur coal block in Godda, Jharhand which has 81 million tons of geological reserve, based on information provided by the Ministry of Coal. We have entered into a 25 year long-term coal supply agreement with JSPL for the supply of coal for this power project, subject to the approval of the Ministry of Coal.

We are in the process of appointing the consultants for providing engineering consultancy services in relation to our Godda Project and are also evaluating alternatives for implementing the project on an EPC basis or through multiple packages.

For further details in relation to the Godda Project refer to the section titled ***"Our Business"*** on page 71. For further details on key contracts and government approvals received by us in relation to the Dumka Project refer to the section titled ***"Description of Certain Key Contracts"*** and ***"Government and Other Approvals"*** on pages 96 and 245.

Estimated cost

The total estimated cost of setting-up the Godda Project is estimated at Rs. 36,660.00 million. The Godda Project have been appraised by SBI Capital Markets Limited in accordance with the Information Memorandum dated November, 2009 and clarification thereto dated December 21, 2009 (the "***Godda Clarification Letter***"). The detailed break down of the estimated cost as appraised by SBI Capital Markets Limited is as follows:

(Rs. in million)

S.No.	Item	Estimated Cost
1.	Land	250.00
2.	Boiler, turbine and generator ("BTG")	19,628.00
3.	Mechanical, electrical and civil works (Balance of plant)	6,078.75
4.	Water arrangement	450.00
5.	Transmission line	1,000.00
6.	Coal transportation arrangement	100.00
7.	Housing colony/ cost	150.00
8.	Taxes and duties	4,073.85
9.	Pre-operative expenditure (including finance charges)	531.28
10.	Interest during construction period	3,525.66
11.	Margin money for working capital	184.31
12.	Contingencies	688.15
	Total	**36,660.00**

Land

The total cost of acquisition of land for this project is estimated at Rs. 250.00 million. This includes the land required for the power plant, ash dyke, related green belt areas and a housing colony, but excludes land required for right of use and right of way for setting-up water pipelines, transmission lines, conveyor for coal transportation etc.

Applications for acquisition of land for 693.86 acres in relation to this project have been made to the GoJ. While the applications to the GoJ has been made by JSPL, the final award of land is intended to be made in the name of JPL. We do not intend to use the Net Proceeds of the Issue towards the acquisition of land in relation to the project.

Boiler, turbine and generator ("BTG")

As per the Godda Clarification Letter, the base BTG cost has been estimated at Rs. 19,010.00 million including freight and insurance, but excluding cost of spares, taxes and duties. The total cost of the BTG package including mandatory spares, but excluding taxes and duties, is estimated to be Rs. 19,628.00 million. We are evaluating alternatives for implementing the project on an EPC basis or through multiple packages and no orders have been placed in relation to the BTG component of this project.

Mechanical, electrical and civil works (Balance of plant)

Balance of plant comprises of mechanical, electrical and civil works for the project including site development, and engineering, procurement and construction of cooling towers, fire fighting and protection systems, demineralization plant, ash handling plant, coal handling plant, switchyard, chimney, ash dyke etc. The total estimated cost for mechanical, electrical and civil works for the Dumka Project is estimated at Rs. 6,078.75 million. We have not placed orders in relation to the balance of plant component of this project. Furthermore, no second hand plant and machinery have been ordered for the project.

Water arrangement

We intend to source the requirements of water for the project from the Sunder Dam in Godda district. The water arrangement involves the construction of a pump house and a raw water reservoir, and installation of raw water pipelines up to the plant. The cost for water arrangement is estimated at Rs. 450.00 million.

Transmission line

The power generated by the Godda Project is proposed to be evacuated through a double circuit 400 KV double conductor transmission line of approximately 130 kilometers which will connect the plant to the Maithan sub-station of PGCIL. The sub-station is intended to be used to deliver power to JSPL and other off-takers. Power is intended to be evacuated by taking opening access from PGCIL and the state transmission utilities. The estimated cost of transmission line system is Rs. 1,000.00 million.

Coal transportation arrangement

For the supply of coal from the Jitpur coal block to the project site, we plan to implement an automatic over-the-ground pipe conveyor system with a length of approximately 3 kilometers. The estimated cost of coal transportation arrangement is Rs. 100.00 million.

Housing colony/ cost

We plan to develop a housing colony along with necessary infrastructure including a hospital, school, shopping area and community center for our employees who will be working at the power plant. The total estimated cost for the same is Rs. 150.00 million.

Taxes and duties

Taxes and duties, including custom duty, countervailing duty and special additional duty, works contract tax, excise duty and sales tax, service tax etc. has been estimated at Rs. 4,073.85 million.

Pre-operative expenditure (including finance charges)

Pre-operative expenses include fees to be paid towards technical studies conducted by engineers, legal expenses for fees payable to legal counsels, insurance advisor's fees, start up fuel, construction power, employees recruitment, training and salaries, appraisal fees, upfront fees to lenders, advisors fees, other expenses etc. The total estimated pre-operative expenditure (including finance charges) for the Godda Project is estimated at Rs. 531.28 million.

Interest during construction period

The cost of interest during construction of the Godda Project has been computed based on the capital expenditure phasing schedule estimated with an equity contribution and debt financing mix. The debt drawdown has been formulated based on an equity contribution of 30% equity being brought upfront and the balance expected to be made on a pro rata basis with the debt. The interest rate considered for the construction period has been assumed at 11.50% per annum. The total estimated interest during construction period for the Godda Project is estimated at Rs. 3,525.66 million.

Margin money for working capital

We have made a total provision of Rs. 184.31 million towards margin money for working capital based on an estimated rate of 25% of the projected net working capital requirement in the first full year of operation of the project. For the purpose of estimates, the current assets comprising of receivables of 2 months, primary fuel

stock of 2 months, secondary fuel stock of 2 months, operation and maintenance expenses of 1 month and spares requirement of 20% of the operation and maintenance expenses have been assumed. 25% of the margin money has been included in the project cost.

Contingencies

We have created a provision for contingency of Rs. 688.15 million to cover an increase in estimated cost under the Godda Project.

Schedule of Implementation

The expected schedule of implementation for the Godda Project as per the Godda Clarification Letter prepared by SBI Capital Markets Limited is given below:

Milestone/ Activity	Estimated date of completion
Notice to proceed with EPC/ BTG contract	April , 2010
Transmission line	April, 2013
Water Arrangement	April, 2013
Coal Transportation Arrangement	April, 2013
BTG Trial Runs	October, 2013
Commissioning	December, 2013
Commercial operation date of project	January , 2014

Funds Deployed

As per the certificate of Lodha & Co., Chartered Accountants dated December 22, 2009 (Signing through Mr. Saurabh Chhajer, membership number 403325), as of November 30, 2009, the Company has not deployed any funds towards the Godda Project.

General corporate purposes

We intend to continue to grow and strengthen our operations across the value chain of the power business going forward, besides improving fuel security by exploring both organic and inorganic growth opportunities including acquisitions and strategic initiatives aimed at improving the degree of vertical integration and reducing costs and mitigating risks.

We intend to deploy the balance Net Proceeds of the Issue aggregating Rs. [●] million for General Corporate Purposes, including but not restricted to, meeting working capital requirements, initial development costs for projects other than the Identified Projects, to part fund equity contribution for projects other than Identified Projects, fund project cost overruns (if any), strategic initiatives, partnerships, joint ventures and acquisitions, various organic and inorganic opportunities, repayment of loans, meeting exigencies, which the Company in the ordinary course of business may face, or any other purposes as approved by the Board.

Issue Related Expenses

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

S.No.	Activity Expense	Amount (Rs. millions)	Percentage of Total Issue Expenses	Percentage of Total Issue Size
1.	Lead management fees*	[●]	[●]	[●]
2.	Underwriting and selling commission*(including commission to SCSBs for ASBA Applications)	[●]	[●]	[●]
3.	Registrar's fees*	[●]	[●]	[●]
4.	Advertisement and marketing expenses*	[●]	[●]	[●]
5.	Printing and distribution expenses*	[●]	[●]	[●]
6.	IPO Grading expenses*	[●]	[●]	[●]
7.	Advisors*	[●]	[●]	[●]
8.	Bankers to the Issue*	[●]	[●]	[●]

S.No.	Activity Expense	Amount (Rs. millions)	Percentage of Total Issue Expenses	Percentage of Total Issue Size
9.	Others (Monitoring agency fees, SEBI filing fees, bidding software expenses, depository charges, listing fees, etc.) *	[●]	[●]	[●]
	Total	**[●]**	**[●]**	**[●]**

** Will be incorporated at the time of filing of the Prospectus.*

Interim Use of Net Proceeds

Our Company, in accordance with the policies established by the Board, will have flexibility in deploying the Net Proceeds of the Issue. The particular composition, timing and schedule of deployment of the Net Proceeds of the Issue will be determined by our Company based upon the development of the Identified Projects. Pending utilization for the purposes described above, our Company intends to temporarily invest the funds from the Issue in interest bearing liquid instruments including deposits with banks and investments in mutual funds for the necessary duration or for reducing overdrafts.

Monitoring of Utilization of Funds

Our Company has appointed [●] as the monitoring agency in relation to the Issue. The Board and [●] will monitor the utilization of the proceeds of the Issue. Our Company will disclose the utilization of the proceeds of the Issue under a separate head along with details, for all such proceeds of the Issue that have not been utilized. Our Company will indicate investments, if any, of unutilized proceeds of the Issue in the Balance Sheet of the Company for the relevant Financial Years subsequent to the listing.

Pursuant to clause 49 of the Listing Agreement, our Company shall on a quarterly basis disclose to the Audit Committee the uses and applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the statutory auditors of our Company. In addition, the report submitted by the monitoring agency will be placed before the Audit Committee of our Company, so as to enable the Audit Committee to make appropriate recommendations to the Board of Directors of our Company.

Our Company shall be required to inform material deviations in the utilization of Issue proceeds to the stock exchanges and shall also be required to simultaneously make the material deviations/ adverse comments of the Audit committee/monitoring agency public through advertisement in newspapers.

No part of the proceeds from the Issue will be paid by us as consideration to our Promoters, Promoter Group, our Directors, group companies or key managerial employees, except in the normal course of our business.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLMs and the CBRLM, on the basis of assessment of market demand for the Equity Shares through the Book Building Process. The face value of the equity shares is Rs 10 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

We believe the following are our primary strengths:

- We are an established power company with a track record of operating power projects in an efficient manner. Our ability to run our newly operational 1,000 MW Tamnar I power project efficiently helped us achieve robust profitability of Rs. 15,819.28 million during fiscal 2009 and Rs. 7,435.08 million during the three months ended June 30, 2009 on an unconsolidated basis;
- We have been able to establish strong sources of fuel for our operational power project and for a majority of our projects under implementation, and we have experience in operating fuel sources;
- Our power projects in operation and under implementation are in close proximity to areas with high power deficits;
- We have experience in project management and a track record of executing large power projects;
- As a subsidiary of JSPL, we benefit from group synergies, including access to talent, competitive commercial terms, fuel for our power projects and critical equipment and suppliers;
- We are a professionally managed company with an experienced management team possessing extensive industry experience;
- We have a strong financial profile. Our net worth, on an unconsolidated basis, has grown from Rs. 8,250.27 million as of March 31, 2008 to Rs. 31,110.51 million as of June 30, 2009, primarily due to profits from our operations; and
- Our power off-take arrangements reflect a careful balance between risk, cash flows, and revenue through PPAs of various durations.

For details, please see the sections titled, "***Our Business***" and "***Risk Factors***" beginning on page 71 and xiii, respectively.

Quantitative Factors

The information presented below relating to the Company is based on the restated unconsolidated financial information of the Company for Fiscals 2007, 2008 and 2009, and the quarter ended June 30, 2009 prepared in accordance with Indian GAAP. For details, see "***Financial Statements - Auditor's Report on Financial Information in relation to Draft Red Herring Prospectus"*** on page F1.

1) Earnings per Share ("EPS")

Year ended	Basic/ Diluted EPS (in Rs.)	Weight
March 31, 2007	(0.35)	1
March 31, 2008	(0.33)	2
March 31, 2009	19.42	3
Weighted Average	**9.54**	

For the three months ended June 30, 2009 the Basic/ Diluted EPS was Rs. 8.10.

Notes:

1) *449,600,000 Equity Shares of Rs. 10 each have been allotted as fully paid up Bonus Shares in the ratio of 1 Shares for every 2 shares held, on December 04, 2009, by way of capitalisation of Reserves & Surplus. If the same is considered, the adjusted EPS would be as under:*
   - *a) EPS as of March 31, 2009: Rs. 12.79*
   - *b) EPS as of June 30, 2009: Rs. 5.33*

2) *Basic/ Diluted EPS calculated in accordance with Accounting Standard 20 "Earnings per Share" issued by the Institute of Chartered Accountants of India.*

2) Price/Earning (P/E) ratio in relation to the Price Band

a) Company P/E based on EPS

Particulars	P/E at the lower end of the Price Band (no. of times)	P/E at the higher end of the Price Band (no. of times)
P/E based on the EPS for the year ended March 31, 2009 of Rs. [●]	[●]	[●]
P/E based on weighted average EPS of Rs. [●]	[●]	[●]

b) Industry P/E

i) Highest: 782.6
ii) Lowest: 11.1
iii) Industry Composite: 24.6

Source: "Capital Market" magazine Vol. XXIV/20 dated November 30 – Dec 13, 2009.

3) Return on Net Worth ("RoNW")

Year ended	RoNW (%)	Weight
March 31, 2007	(2.67)	1
March 31, 2008	(2.98)	2
March 31, 2009	69.96	3
Weighted Average	**33.54**	

For the quarter ended June 30, 2009 the RoNW was 22.59%.

Notes:

1) *RoNW has been computed by dividing the net profit after tax, as restated by the net worth, as restated, at the end of the year/ period.*

4) Minimum Return on Total Net Worth after the Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2009:

a) At the lower end of the Price Band: [●]%
b) At the higher end of the Price Band: [●]%

5) Net Asset Value per Equity Share

a) Net Asset Value per Equity Share as of March 31, 2009: Rs. 27.76
b) Net Asset Value per Equity Share as of June 30, 2009: Rs. 35.85
c) Net Asset Value per Equity Share after the Issue: Rs. [●] *
d) Issue Price: Rs. [●] *

* Issue Price will be determined on conclusion of book building process.

Notes:

1) *449,600,000 Equity Shares of Rs. 10 each have been allotted as fully paid up Bonus Shares in the ratio of 1 Shares for every 2 shares held on December 4, 2009, by way of capitalisation of Reserves & Surplus. If the same is considered, the adjusted Net Asset Value for Equity Share would be as under:*

a) Net Asset Value per Equity Share as of March 31, 2009: Rs. 18.28
b) Net Asset Value per Equity Share as of June 30, 2009: Rs. 23.62
c) Net Asset Value per Equity Share after the Issue: Rs. [●] *

* Issue Price will be determined on conclusion of book building process.

2) *Net asset value per equity share has been computed by dividing the net worth, as restated, at the end of the year/ period by the number of equity shares outstanding at the end of year/ period*

6) Comparison with Industry Peers

	Face Value (Rs.)	EPS (Rs.)	Book Value per Share (Rs.)	Return on Net Worth (%)	P/E Multiple (no. of times)
Jindal Power Limited (2)	10	19.42	27.76	69.96	[●] (3)
Peer Group (4)					
Tata Power Company Limited	10	27.8	369.3	8.2	39.5
Reliance Power	10	0.8	57.5	1.4	137.0
Torrent Power Limited	10	8.4	68.4	13.3	28.0
NTPC Limited	10	9.4	72.7	14.4	20.3
Adani Power Limited	10	-	26.2	-	-
KSK Energy Ventures Limited	10	1.8	66.1	5.2	135.7
Indiabulls Power Limited	10	0.5	19.2	5.0	-

Notes:

1) *449,600,000 Equity Shares of Rs. 10 each have been allotted as fully paid up Bonus Shares in the ratio of Shares for every 2 shares held on, December 4, 2009, by way of capitalisation of Reserves & Surplus. If the same is considered, the aforesaid ratio of the Company would be as under:*

	Face Value (Rs.)	EPS (Rs.)	Book Value per Share (Rs.)	Return on Net Worth (%)	P/E Multiple (no. of times)
Jindal Power Limited (2)	10	12.79	18.28	69.96	[●] (3)

2) *EPS, Book Value per Equity Share and Return on Net Worth of the Company are based on the restated unconsolidated financial information of the Company for the year ended March 31, 2009.*
3) *Based on the Issue Price to be determined on conclusion of book building process and the Basic/ Diluted EPS of the Company.*
4) *All figures for the Peer Group are from "Capital Market" magazine Vol. XXIV/20 dated November 30 – Dec 13, 2009.*

The Issue Price of Rs. [•] has been determined by our Company in consultation with the BRLMs and the CBRLM on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process and is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with "***Risk Factors***" and "***Financial Statements***" on pages xiii and F1, respectively, to have a more informed view.

STATEMENT OF TAX BENEFITS

Statement of Possible Direct Tax Benefits available to Jindal Power Limited and its Shareholders

The Board of Directors
Jindal Power Limited,
Jindal Centre,
12, Bhikaiji Cama Place,
New Delhi-110001
India

Dear Sirs,

We hereby report that the enclosed statement states the possible direct tax benefits available to Jindal Power Ltd. (the "Company") and its shareholders under the current tax laws presently in force 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 the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement 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 their own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

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

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

The contents of the enclosed 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.

For Lodha & Co.,
Chartered Accountants

Saurabh Chhajer
Partner
(Membership No. 403325)

Place: New Delhi
Date: December 22, 2009

The following key tax benefits are available to the Company and the prospective shareholder under the current direct tax laws in India.

The tax benefits listed below are the possible benefits available under the current tax laws presently in force 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 it faces in the future, it may not choose to fulfill. This Statement is only intended to provide the tax benefits available to the Company & its shareholders in a general and summary manner and does not purport to be a complete analysis or listing of all the provisions or possible tax consequences of the subscription, purchase, ownership or disposal etc. of shares. In view of the individual nature of tax consequences and the changing tax laws, each investor is advised to consult his / her own tax adviser with respect to specific tax implications arising out of their participation in the issue.

Benefits available under the Income-Tax Act, 1961 (hereinafter referred to as "the Act") to the Company and Shareholders of the Company

1. Under Section 10(34) of the Act, income earned by way of dividend from domestic company referred to in Section 115(O) of the Act is exempt from tax.

2. Under Section 10(38) of the Act, long-term capital gain on sale of equity shares or units of an equity oriented fund will be exempt provided that the transaction of such sale is chargeable to Securities Transaction Tax.

3. The long-term capital gains accruing otherwise than as mentioned in 2 above shall be chargeable to tax at the rate of 20 % (plus applicable surcharge and education cess) in accordance with and subject to the provisions of Section 112 of the Act. However, if the tax on long term capital gain resulting on sale of listed securities or unit or zero coupon bond, calculated at the rate of 20% with indexation benefit exceeds the tax calculated at the rate of 10% without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10% (plus applicable surcharge and education cess)

4. Under Section 111A of the Act, short-term capital gain on sale of equity shares or units of an equity oriented fund where the transaction of such sale is chargeable to Securities Transaction Tax, shall be chargeable to tax at the rate of 15% (plus applicable surcharge and education cess).

5. In accordance with and subject to the condition specified in Section 54EC of the Act, long term capital gain [other than those exempt U/S 10(38)] shall not be chargeable to tax to the extent such capital gain is invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisitions, the amount of capital gain exempted earlier would become chargeable to tax as long term capital gain in the year in which the bonds are transferred or converted into money. Investment made on or after April 1, 2007 in the long term specified asset by an assessee during any financial year should not exceed Rs. 50 Lacs.

Other benefits available to the Company, in addition to those mentioned above are as follows:

1. The Company is entitled to claim depreciation at the prescribed rates on specified tangible and intangible assets under section 32 of the Act.

   In case of any new plant and machinery (other than ships and aircraft) that will be acquired and installed by the company, the company is entitled to a further sum equal to twenty percent of the actual cost of such machinery or plant subject to conditions specified in section 32 of the Act.

   Unabsorbed depreciation if any, for an Assessment Year (AY) can be carried forward & set off against any source of income in subsequent AYs as per section 32 of the Act.

2. In accordance with and subject to the conditions specified in Section 80-IA of the Act, the Company would be entitled for a deduction of an amount equal to hundred per cent of profits or gains derived

from industrial undertaking engaged in generation and/or distribution or transmission of power for any ten consecutive assessment years out of fifteen years beginning from the year in which the undertaking has started its operation, which should be before 31st day of March, 2011.

3. Under Section 35 of the Act, the Company is eligible for a deduction of the entire amount of the revenue or capital expenditure incurred (other than expenditure on the acquisition of any land) on scientific research related to the business of the Company, in the year in which such expenditure is incurred.

where the assessee does not himself carry on scientific research but makes contributions to other institutions for this purpose, a weighted deduction is allowed of one and one-fourth times of payment if:

- the payment is made to an approved scientific research association which has, as its object, undertaking of scientific research related or unrelated to the business of the assessee; or
- the payment is made to an approved university, college or institution for the use of scientific research related or unrelated to the business of the assessee; or
- the payment is made to an approved university, college or institution for the use of research for social science or statistical research related or unrelated to the business of the assessee

Under Section 35 (2AB) of the Act, Company is eligible for a weighted deduction of a sum equal to one and one-half times of the expenditure incurred on in-house research and development, if it satisfies the following conditions:

- the tax payer is a Company
- it is engaged in the business of manufacture or production of an article or thing except those specified in the Eleventh Schedule of the Act;
- it incurs any expenditure on scientific research and such expenditure is of capital nature (other than land or building) or revenue nature
- the above deduction is allowed up to March 31, 2012 on in-house research and development facility;
- the research and development facility is approved by the prescribed authority (prescribed authority is Secretary, Department of Scientific and Industrial Research);
- the Company has entered into an agreement with the prescribed authority for cooperation in such research and development facility and for audit of the accounts maintained for that facility.

4. As per Section 35D, the Company is eligible for deduction in respect of specified preliminary expenditure incurred by the Company in connection with extension of its industrial undertaking or in connection with setting up a new industrial unit for an amount equal to 1/5th of such expenses over 5 successive assessment years subject to 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 for an amount equal to 1/5th of such expenses over 5 successive AYs subject to conditions specified in that section.

6. Under Section 115JAA (1A) of the Act, credit is allowed in respect of any tax paid (MAT) under Section 115JB of the Act for any assessment year commencing on or after April 1, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall be available for set-off up to 10 years succeeding the year in which the MAT credit becomes allowable.

Other benefits available to the Shareholders of the Company, in addition to those mentioned above are as follows:

1. **Resident Shareholders**

According to the provision of Section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a Hindu Undivided Family (HUF), capital gain arising on transfer of long term assets [other than a residential house and those exempt U/S 10(38)] are not chargeable to tax if the entire

net consideration is invested within the prescribed period in a residential house. If only a part of such net consideration is invested, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of capital asset as reduced by any expenditure incurred, wholly and exclusively in connection with such transfer.

Such benefit will not be available if the individual or Hindu Undivided Family –

- owns more than one residential house, other than the new asset on the date of transfer of the original asset; or
- purchase any residential house, other than the new asset, within a period of one year after the date of transfer of the original asset; or
- constructs any residential house, other than the new asset, with in a period of three years after the date of transfer of the original asset; and
- the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

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.

2. **Non-Resident Shareholders**

i. Under provisions of Section 115G of the Act, it shall not be necessary for a non-resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both, arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax has been deducted at source from such income.

ii. Under Section 115-I of the Act, a non resident Indian may elect not to be governed by the provisions of Chapter XII-A of the Act for any assessment year by furnishing his return of income under Section 139 of the Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year and if he does so the provisions of this Chapter shall not apply to him. In such a case the tax on investment income and long term capital gains would be computed as per normal provisions of the Act.

iii. Under the first proviso to Section 48 of the Act, in case of a non resident, in computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case.

3. **Mutual Funds**

In terms of Section 10(23D) of the Act, mutual funds registered under the Securities and Exchange Board of India Act, 1992 and such other mutual funds set up by public sector banks or public financial institutions authorized by the Reserve Bank of India and subject to the conditions specified therein, are eligible for exemption from income tax on their entire income, including income from investment in the shares of the company.

4. **Foreign Institutional Investors (FIIs)**

i. Under Section 115AD capital gain arising on transfer of short term capital assets, being shares and debentures in a company, are taxed as follows:

a. Short term capital gain on transfer of shares/debentures entered in a recognized stock exchange which is subject to securities transaction tax shall be taxed **@ 15%** (plus applicable surcharge and education cess); and

b. Short term capital gains on transfer of shares/debentures other than those mentioned above would be taxable @ 30% (plus applicable surcharge and education cess).

ii. Under Section 115AD capital gain arising on transfer of long term capital assets [other than those exempt U/S 10 (38)], being shares and debentures in a company, are taxed @ 10% (plus applicable surcharge and education cess).

Such capital gains would be computed without giving effect to the first and second proviso to Section 48. In other words, the benefit of indexation, direct or indirect, as mentioned under the two provisos would not be allowed while computing the capital gains.

5. **Venture Capital Companies/ Funds**

As per the provisions of Section 10(23FB) of the Act, income is exempt from income tax of:

Venture Capital Company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 (SEBI) and notified as such in the Official Gazette; and

Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit Trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and notified as such in the Official Gazette from investment in a Venture Capital Undertaking

Benefits available under the Wealth Tax Act, 1957

Shares in a company held by a shareholder will not be treated as an asset within the meaning of Section 2(ea) of Wealth tax Act, 1957; hence, wealth tax is not leviable on shares held in the company.

Benefits available under the Gift Tax Act, 1957
Gift of shares of the company made on or after October 1, 1998 are not liable to Gift tax

Special Direct Tax Benefits
At present, the Company does not enjoy any special direct tax benefits.

NOTES:

A. All the above benefits are as per the current tax law and will be available only to the sole/ first named holder in case the shares are held by joint holders.
B. In respect of non-residents, taxability of capital gains mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any between India and the country in which the non-resident has fiscal domicile.
C. In view of the individual nature of tax consequence, each investor is advised to consult his/ her own tax advisor with respect to specific tax consequences of his/ her participation in the scheme.
D. 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 equity shares.
E. Tax Benefits available to the Company and its shareholders will be varied/change up on applicability of Direct taxes Code Bill, 2009 which is proposed to be made applicable w.e.f. 1st April, 2011.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from publicly available documents prepared by various third party sources, including the Government of India and its various ministries and certain multilateral institutions. This data has not been prepared or independently verified by us or the BRLMs or the CBRLM or any of their respective affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled "Risk Factors" in this Draft Red Herring Prospectus. Accordingly, investment decisions should not be based on such information.

Overview of the Indian Economy

According to the Reserve Bank of India's Handbook of Statistics on the Indian Economy 2008-2009 dated September 15, 2009, India, with a population of over 1.15 billion people, had a Gross Domestic Product ("GDP") of approximately Rs.33,393.75 billion in 2008.

According to the RBI's Macroeconomic and Monetary Developments Second Quarter Review 2009-10 dated October 26, 2009, India is one of the fastest growing large economies in the world with a GDP growth of 6.7% in fiscal 2009, 6.1% in the first quarter of fiscal 2010 and an expected growth in GDP of 6.0% in fiscal 2010. The decrease in growth is mainly due to the global economic contraction and deterioration in the global financial markets. According to the estimates released in May 2009 by the Central Statistical Organisation ("CSO"), India's GDP during the fourth quarter of 2008-2009 grew at a rate of 5.8% compared to 8.6% in the corresponding quarter in the preceding year.

According to the Planning Commission of India, the 11th five year plan (2007-08 to 2011-12) aims at a sustainable GDP growth rate of 9.0%. There is consensus that infrastructure inadequacies would constitute a significant constraint in realizing this development potential. To overcome this constraint, an ambitious programme of infrastructure investment, involving both the public and private sector, has been developed for the 11th Plan period by Government of India ("GoI").

The following table presents a comparison of India's real GDP growth rate with the real GDP growth rate of certain other countries (in percentages).

Countries	2004	2005	2006	2007	2008	2009 (estimated)	2010 (estimated)
Australia	3.8	2.8	2.8	4.0	2.4	0.7	2.0
Brazil	5.7	3.2	4.0	5.7	5.1	(0.7)	3.5
China	10.1	10.4	11.6	13.0	9.0	8.5	9.0
India	**7.9**	**9.2**	**9.8**	**9.4**	**7.3**	**5.4**	**6.4**
Japan	2.7	1.9	2.0	2.3	(0.7)	(5.4)	1.7
Korea South	4.6	4.0	5.2	5.1	2.2	(1.0)	3.6
Malaysia	6.8	5.3	5.8	6.2	4.6	(3.6)	2.5
Russia	7.2	6.4	7.7	8.1	5.6	(7.5)	1.5
Thailand	6.3	4.6	5.2	4.9	2.6	(3.5)	3.7
UK	3.0	2.2	2.9	2.6	0.7	(4.4)	0.9
USA	3.6	3.1	2.7	2.1	0.4	(2.7)	1.5

Source: IMF World Economic Outlook, October 2009, available at https://www.imf.org/external/pubs/ft/weo/2009/02/pdf/text.pdf

The power sector has been recognized by the GoI as a key infrastructure sector to sustain the growth of the Indian economy. As per the projections of investment in infrastructure during the 11th Plan, the power sector is expected to attract 30.4% of the total $581.68 billion projected investment in infrastructure during the 11th Plan.

(Rs. crore at 2006-2007 prices)

Sectors	Rs. crore[(1)]	$ billion[(2)]	Sectoral shares (%)
Electricity (incl. NCE)	7,25,325	176.91	30.4
Roads	3,66,843	89.47	15.4
Telecom	3,14,118	76.61	13.2
Railways (incl. MRTS)	3,03,530	74.03	12.7
Irrigation (incl. Watershed)	2,62,508	64.03	11.0

Sectors	Rs. crore[1]	$ billion[2]	Sectoral shares (%)
Water Supply and Sanitation	2,34,268	57.14	9.8
Ports	86,989	21.22	3.6
Airports	40,880	9.97	1.7
Storage	26,327	6.42	1.1
Gas	24,118	5.88	1.0
Total	**23,84,905**	**581.68**	**100.0**

[1] 1 crore = 10 million
[2] Exchange rate of Rs. 41.00 per US$1.00

Source: "Projections of Investment in Infrastructure during the Eleventh Plan" available at infrastructure.gov.in/pdf/Inv_Projection.pdf

Overview of Indian Power Industry

The low per capita consumption of electric power in India compared to the world average presents a significant potential for sustainable growth in the demand for electric power in India. According to the 17th Electric Power Survey, May 2007 ("EPS"), India's peak demand is expected to grow at a CAGR of 7.6% over a period of 10 years (FY2007 to FY2017) and would require a generating capacity of 300,000 MW by 2017 to cater to this demand compared to an installed capacity of 132,329 MW as on March 31, 2007.

Historically, India has experienced shortages in energy and peak power requirements. Energy deficit averaged 8.9% and the peak power deficit averaged 12.8% during Fiscal 2003 to Fiscal 2009. Accordingly to the CEA Monthly Power Sector Report for October 2009 (the "CEA October 2009 Report"), the total energy deficit and peak power deficit from April 2009 to October 2009 was approximately 9.4% and 12.1% respectively.

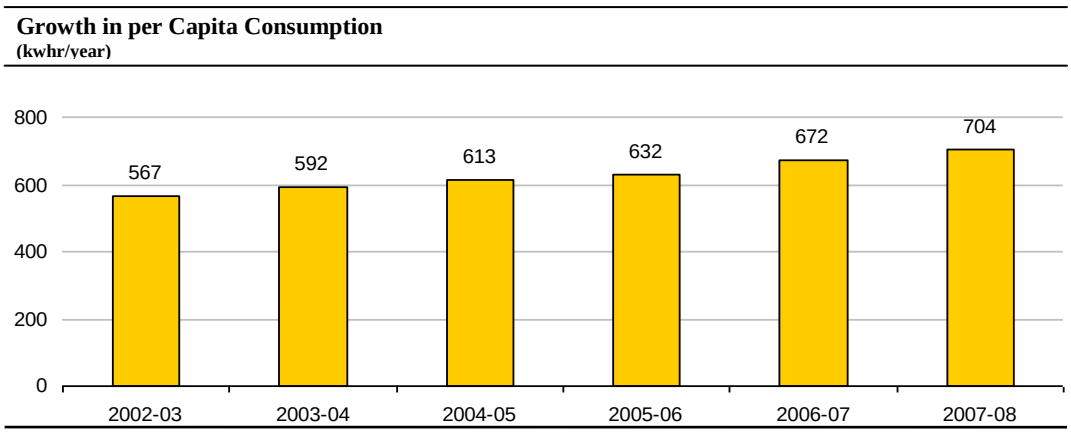
The shortages in energy and peak power have been primarily due to the slow pace of capacity addition. During the 10th plan period (Fiscal 2002 to Fiscal 2007), capacity addition achieved compared to target capacity addition was 51.5%. During the 11th plan period (Fiscal 2008 to Fiscal 2012), capacity addition achieved was 9,263.0 MW or 56.7% of the target capacity addition of 16,335.2 MW in Fiscal 2008, while in Fiscal 2009, capacity addition achieved was 3,453.7 MW, or 31.2% of the target capacity addition of 11,061.2 MW. Accordingly to the CEA October 2009 Report, as on October 31, 2009, the total installed power generation capacity in India was 153,694.09 MW.

The GoI has recognized the power sector as a key infrastructure sector to be developed to sustain Indian economic growth and has taken various steps to reform the power sector to attract private participation, increase competition and reduce aggregate technical and commercial losses ("AT&C").

Given significant supply deficits, high growth potential and conducive government policy, a large opportunity exists for private players to enter the electric power segment.

Power Consumption

The per capita consumption of power in India has increased from 566.7 kWh/year in 2002-03 to 704.2 kWh/year in 2007-08, at a CAGR of 4.4% from 2002-03 to 2007-08.



Source: Monthly Review of Power Sector October 09 (CEA) available at

http://www.cea.nic.in/power_sec_reports/executive_summary/2009_10/1-2.pdf

The GoI has set a target to achieve 1,000 kWh per capita by Fiscal 2012, according to its mission of "Power for All by 2012" as envisaged in National Electricity Policy.

Per capita consumption of electricity in India is one of the lowest in the world. An increase in per capita consumption of electricity in India requires an increase in accessibility of electricity in rural India.

Demand / Supply Scenario

Demand for energy increased at a CAGR of 6.0% from Fiscal 2003 to Fiscal 2009 and during the same period, supply of energy increased at a CAGR of 5.6%. As depicted in the table below, historically India witnessed shortages in energy and peak power requirements. The energy deficit averaged at 8.9% and the peak power deficit averaged at 12.8% from Fiscal 2003 to Fiscal 2009 with the deficits increasing.

Period	Energy Requirement (MU)	Energy Availability (MU)	Energy Deficit/ Surplus (MU)	Energy Deficit/ Surplus (%)	Peak Demand (MW)	Peak Met (MW)	Peak Deficit/ Surplus (MW)	Peak Deficit/ Surplus (%)
2002-03	545,983	497,890	(48,093)	(8.8)	81,492	71,547	(9,945)	(12.2)
2003-04	559,264	519,398	(39,866)	(7.1)	84,574	75,066	(9,508)	(11.2)
2004-05	591,373	548,115	(43,258)	(7.3)	87,906	77,652	(10,254)	(11.7)
2005-06	631,757	578,819	(52,938)	(8.4)	93,255	81,792	(11,463)	(12.3)
2006-07	690,587	624,495	(66,092)	(9.6)	100,715	86,818	(13,897)	(13.8)
2007-08	739,345	666,007	(73,338)	(9.9)	108,866	90,793	(18,073)	(16.6)
2008-09	774,324	689,021	(85,303)	(11.0)	109,809	96,685	(13,124)	(12.0)
Average (1)			(58,412)	(8.9)			(12,323)	(12.8)
CAGR (1)	6.0%	5.6%			5.1%	5.2%		

Source: Power Scenario at a Glance, June 2009 (CEA) available at

http://www.cea.nic.in/planning/POWER%20SCENARIO%20AT%20A%20GLANCE/PSG.pdf

The deficits in electric energy and peak power requirements varies across India. The peak deficit was 12.1% from April 2009 to October 2009 with the Western region facing the highest peak deficit of 15.9%, closely followed by the Northern region with a peak power deficit of 12.9%. The deficit is a consequence of slow progress in the development of additional power generation capacity.

The following table depicts the energy and peak power deficits across various regions in India during April 2009 to October 2009.

Period (April 2009 - October 2009)	Energy Requirement (MU)	Energy Availability (MU)	Energy Deficit / Surplus		Peak Demand (MW)	Peak Met (MW)	Peak Deficit / Surplus	
			(MU)	(%)			(MW)	(%)
Northern	154,941	135,980	(18,961)	(12.2)	37,159	31,439	(5,720)	(15.4)
Western	146,285	128,528	(17,757)	(12.1)	37,190	31,178	(6,012)	(16.2)
Southern	126,774	118,810	(7,964)	(6.3)	29,216	26,445	(2,771)	(9.5)
Eastern	52,273	49,840	(2,433)	(4.7)	12,980	12,384	(596)	(4.6)
N. Eastern	5,591	4,869	(722)	(12.9)	1,760	1,445	(315)	(17.9)
All India	485,864	438,027	(47,837)	(9.8)	116,281	101,609	(14,672)	(12.6)

Source: Monthly Review of Power Sector October 09 (CEA) available at

http://www.cea.nic.in/power_sec_reports/executive_summary/2009_10/1-2.pdf

Demand Projections of Energy and Peak Power

According to the 17th EPS report, India's energy requirement will grow at a CAGR of 7.1% to 1,392,066 Million Units ("MUs") over a period of 10 years (Fiscal 2007 to Fiscal 2017). As per 17th EPS report, to meet this energy demand, the corresponding installed generating capacity required would be about 300,000 MW in FY2017.

Please refer to the table below for details on the total projected energy, peak power requirement and the installed capacity required according to the Government of India, Integrated Energy Policy, Report of the Expert Committee (August 2006).

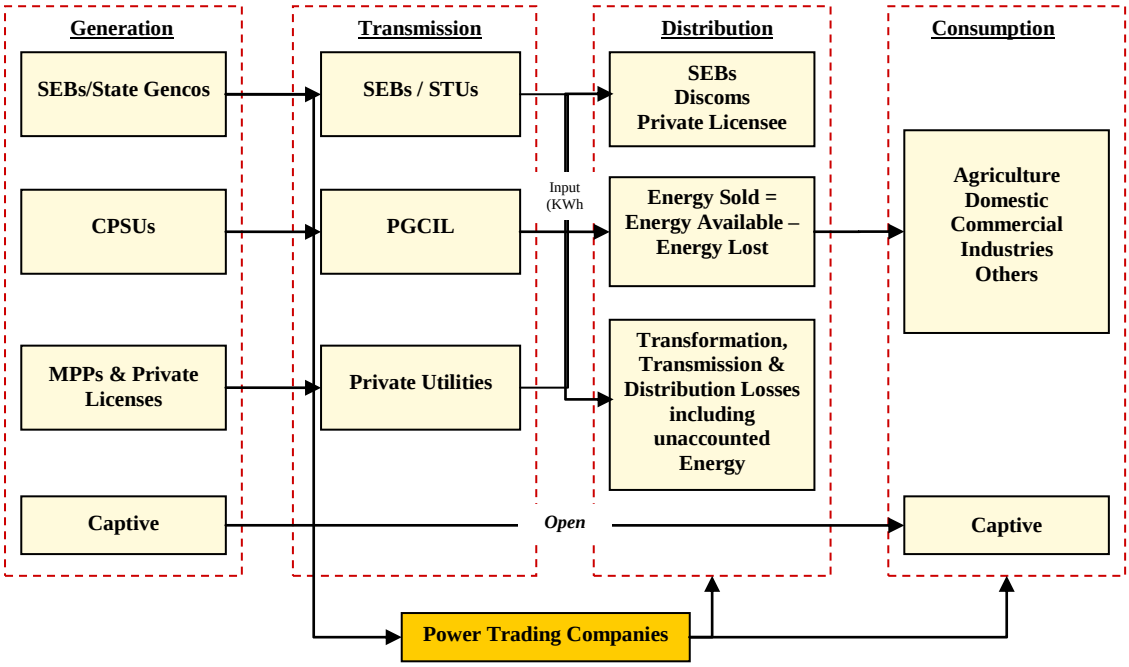
Year	Billion kWh				Projected Peak Demand (GW)		Installed Capacity Required (GW)	
	Total Energy Requirement		Energy Required at Bus Bar[(1)]		@ GDP Growth Rate		@ GDP Growth Rate	
	@ GDP Growth Rate		@ GDP Growth Rate					
	8%	9%	8%	9%	8%	9%	8%	9%
2011-12	1,097	1,167	1,026	1,091	158	168	220	233
2016-17	1,524	1,687	1,425	1,577	226	250	306	337
2021-22	2,118	2,438	1,980	2,280	323	372	425	488
2026-27	2,866	3,423	2,680	3,201	437	522	575	685
2031-32	3,880	4,806	3,628	4,493	592	733	778	960

(1) Energy demand at bus bar is estimated assuming 6.5% auxiliary consumption.

Source: Government of India Integrated Energy Policy, Report of the Expert Committee (August 2006) available at http://planningcommission.gov.in/reports/genrep/rep_intengy.pdf

Structure of Indian Power Industry

The following diagram depicts the structure of the Indian power industry for generation, transmission and distribution and consumption:



State Gencos: State Generation Companies
CPSUs: Central Public Sector Units
MPPs: Merchant Power Producers
SEBs: State Electricity Boards
STUs: State Transmission Unit
Discoms: Distribution Companies
PGCIL: Power Grid Corporation of India Limited

Generation

Generation generally refers to the bulk production of electric power for industrial, residential and rural use. Currently, under Indian law, any generating company can establish, operate and maintain a generating station if it complies with the technical standards relating to connectivity with a grid. Approvals from the Central Government, State Government and the techno-economic clearance from the Central Electricity Authority ("CEA") are no longer required, except for hydroelectric projects. Generating companies are now permitted to sell electricity to any licensees and where permitted by the respective state regulatory commissions, to consumers.

Installed Generation Capacity

According to CEA October 2009 Report, as on October 31, 2009, the total installed power generation capacity in India was 153,694.09 MW. State Electricity Boards accounted for 50.8% and Central Public Sector Units accounted for 32.3% of that total installed power generation capacity. The participation from the private sector is comparatively small at 16.9%.

Currently, the Indian generation sector uses all available fuel options and conventional, non-conventional and emerging power generation technologies. Thermal power plants powered by coal, gas, naphtha and oil accounted for approximately 64.7%, hydro electric plants accounted for 24%, nuclear power plants accounted for 2.7% and renewable energy sources accounted for approximately 8.7% as on October 31, 2009.

Installed Capacity as on October 31, 2009 (Figures in MW)						
Sector	**Hydro**	**Thermal**	**Nuclear**	**R.E.S.**	**Total**	**% of Total**
State	27,087	48,703	-	2,315.5	78,105.7	50.82%
Central	8,565	36,877	4,120	-	49,562.6	32.25%
Private	1,233	13,798	-	10,995	26,025.8	16.93%
Total	**36,885.40**	**99,378.48**	**4,120**	**13,310.21**	**153,694.09**	100.00%
% of Total	24%	64.66%	2.68%	8.66%	100.00%	

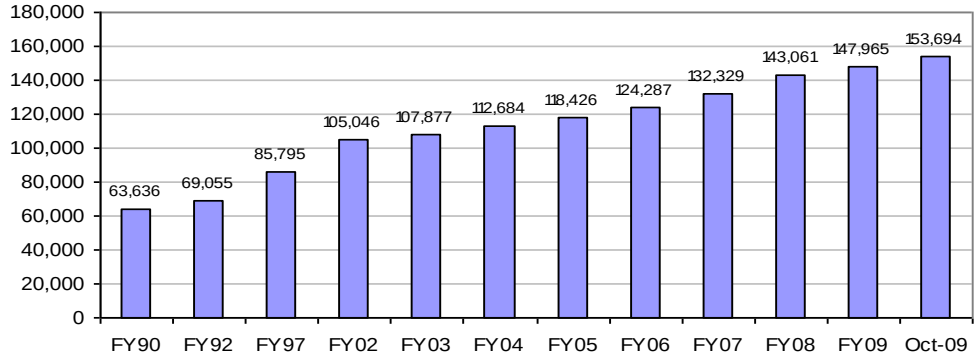
R.E.S: Renewable Energy Sources

Source: Monthly Review of Power Sector October 09 (CEA) available at

http://www.cea.nic.in/power_sec_reports/executive_summary/2009_10/1-2.pdf

The following chart depicts the historical installed capacity of generation in India. The generation capacity growth has been low in India, during the last five years FY2004 to FY2009 the generation capacity increased at a CAGR of 5.6% while the energy demand during the same period increased at a CAGR of 6.7%.

Growth of Installed Capacity
(in MW)



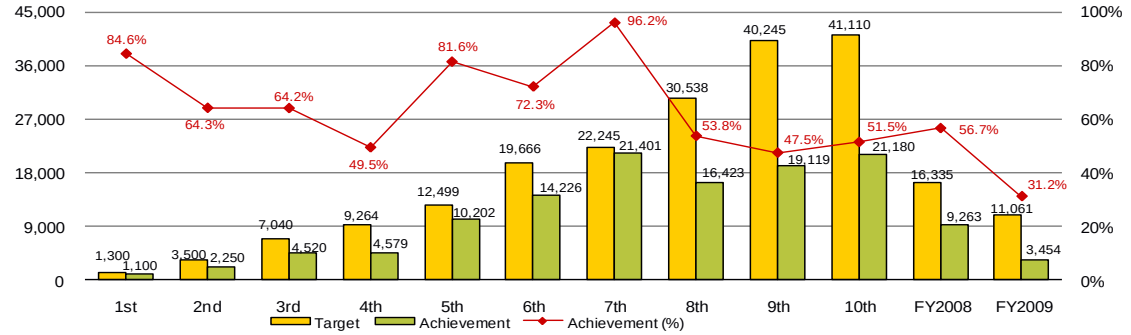
Source: http://cea.nic.in/power_sec_reports/Executive_Summary/2009_10/11.pdf

Historical Capacity Additions

India follows a system of successive five-year plans that establish targets for economic development in various sectors, including the power sector. During the last 10 five-year plans, the actual capacity addition always fell short of the targeted capacity. During the last 2 five-year plans, the achievement in terms of capacity addition has declined to a level of 47.5% in 9th and 51.5% in 10th plan, as illustrated by the graph below. According to the CEA Monthly Review of Power Sector reports for March 2008 and March 2009, the capacity addition target set out during Fiscal 2008 (Fiscal 2008 to Fiscal 2012) was 16,335.2 MW and 11,061.2 MW for Fiscal 2008 and Fiscal 2009, respectively. The actual capacity addition achieved for the same periods was 9,263.0 MW, or 56.7% of the 11th plan target and 3,453.7 MW, or 31.2% during Fiscal 2009, respectively.

The following table depicts the targeted capacity additions set forth in each five year plan by Ministry of Power.

All India Capacity Addition Targets and Achievements (From 1st to 11th Plan)
(MW) **(%)**



Source: National Electricity Plan (April 2007) available from printed reports procured from Central Electricity Authority and CEA Monthly Review of Power Sector Report March 2009 available at http://www.cea.nic.in/power_sec_reports/executive_summary/2009_03/1-2.pdf

The failure to meet these capacity addition targets, due to delays in land acquisition, equipment procurement and coal linkages has aggravated the demand/supply gap for electric power in India.

Fuel Resources

In order to meet the growing demand for power, India is expected to continue to exploit all available energy sources. There is a priority for developing cleaner sources of energy like hydro electric power and other

renewable and non-conventional sources, but coal based thermal generation is likely to continue to dominate power generation in India.

Thermal

According to Monthly Review of the Power Sector, October 2009 (CEA), thermal plants can be based on coal, lignite, gas, LNG or liquid fuel. Based on the installed power generation capacity as of October 31, 2009, coal based thermal plants comprised 81.86% of the total available thermal capacity.

The Geological Survey of India estimates that coal reserves stood at 257 billion ton as of January 1, 2007, with approximately 89% of these being of non-coking grade, which is primarily used for power generation. According to the National Electricity Plan (April 2007), the geographical distribution of these coal reserves is in the states of Bihar, Jharkhand, Madhya Pradesh, Chhattisgarh, West Bengal, Odisha and Andhra Pradesh. In addition, the geological reserves of lignite are approximately 35.6 billion tons, according to National Electricity Plan (April 2007). Lignite is available at limited states of India such as Tamil Nadu, Rajasthan and Gujarat. Since lignite is available at a relatively shallow depth and is non-transportable, its use for power generation at pithead stations is found to be attractive.

Natural gas is increasingly used in Combined Cycle Gas Turbine power stations in view of the very high efficiencies resulting from the use of advanced technology gas turbines. CEA expects natural gas to gain significance in power generation also because it is more environmentally friendly and is easier to use than oil.

Hydro

Hydroelectric power generation is based on the sustainable development of river basins. The hydroelectric potential of a river basin forms an integral part of the electric power supply industry, as well as water resources development of the basin.

According to National Electricity Plan (April 2007), the total theoretical potential of hydroelectric power generation and economic power potential are estimated to be about 300,000 MW and 50,000 MW, respectively. Hydroelectric potential in India is approximately 84,000 MW at a plant load factor of 60% from 845 schemes.

The geographical spread of hydroelectric potential in India is in six major river systems; Indus, Brahmaputra, Ganga, central Indian river system, the east flowing river system and the west flowing river systems. The hydro potential of a river depends on its run-off and is directly related to rain and snow fall levels. Most of the inflow to the basins occur during the monsoon months and storage type hydro projects are required to optimally utilize water resources. According to the National Electricity Plan (April 2007), India has one of the lowest per capital storage rates, and approximately 80% of the surface water from the rivers flow in to the sea unutilized, rather than being stored for generating power. The total annual energy potential of the Hydroelectric power generation schemes identified in India is estimated to be about 600 billion units and 739 billion units in 90% and 50% dependable flow conditions, respectively.

Nuclear

According to National Electricity Plan (April 2007), nuclear power is a clean, environment friendly and economically viable source of power generation. The role of nuclear power is important as a complement to the fossil thermal power generation to meet the base load demand and to minimize coal transportation from the regions rich in coal reserves to deficit regions located far from the coal belt. Nuclear power will have an increasingly important role in power generation and providing energy security given the finite resources of fossil fuel. As nuclear fuel is a concentrated source of energy, quantities of waste are much smaller than in the case of coal-based stations.

India has limited uranium resources but vast thorium resources. The potential of nuclear energy in India from thorium resources is equivalent to India's total electricity requirements for several hundreds of years considering current consumption levels.

Future programmes have been laid out in the National Electricity Plan (April 2007), for the development of 7,280 MW and 20,000 MW of nuclear power by 2012 and 2020, respectively. Capacity additions of 2,880 MW were planned during the first two years of the 11th plan and one Prototype Fast Breeder Reactor unit of 500 MW is scheduled to be added during 2011-12. The three stages of the nuclear power programme are (i)

Pressurized Heavy Water Reactors, which use natural uranium; (ii) Fast Breeder Reactors, which use plutonium-based fuel; and (iii) advanced Nuclear Power Systems, which use thorium.

According to National Electricity Plan (April 2007), India is one of the few countries in the world and the only country among the developing countries to have achieved self reliance in all aspects of nuclear power generation, beginning from the prospecting and mining of uranium, the fabrication of fuel assemblies and the production of heavy water, to fuel reprocessing and plutonium recycling. As nuclear power projects are capital-intensive, the gestation period of projects has a considerable influence on the economics of nuclear power. Accordingly, considerable efforts have been made to reduce the gestation period of the projects.

On August 1, 2008, the International Atomic Energy Agency ("IAEA") approved the Safeguards Agreement with India and in September, 2008, the Nuclear Suppliers Group approved an exemption from its nuclear cooperation guidelines for India, allowing Nuclear Suppliers Group member states to provide nuclear materials, technologies, and equipment to India. India has already signed nuclear fuel supply agreements with France and the United States. These developments should enable India to receive adequate supplies of nuclear fuel and technology.

Solar

The process of converting solar radiation, or sunlight into electricity using solar cell device is referred to as Solar Photovoltaic Generation, or SPV. A solar cell, when exposed to sunlight, generates electricity. The magnitude of the electric current generated depends on the intensity of the solar radiation, ambient temperature, exposed area of solar cell and type of material used in fabricating the solar cell.

The SPV Programme is aimed at deployment of relevant SPV technologies in urban, commercial and rural applications. According to National Electricity Plan (April 2007), India's SPV potential is 20 MW per square kilometre, and as of December 31, 2006, India had an installed solar power generation capacity of 3.0 MW.

Wind

India's wind power development programme was initiated in 1983-84. According to National Electricity Plan (April 2007), India now ranks 5th in the world after USA, Germany, Spain and China in wind power generation and the technically viable amount of wind power which can be exploited economically in India is 13,000 MW and India's gross wind power generation potential is 45,000 MW.

According to the Ministry of New and Renewable Energy's press release date July 13, 2009, the existing wind power installed capacity in India is 10,242 MW, with the majority of the capacity addition being achieved through private investment. The unit capacity of wind electric generators presently range from 225 kW to 2 MW and operate with wind speeds ranging between 2.5 to 25 meters per second.

Wind turbines generally have three blades, which rotate with wind flow and are coupled to a generator through either a gear box or directly. The blades rotate around a horizontal hub connected to a generator. The power produced by the generator is controlled automatically as wind speeds vary. After the identification of an appropriate site, the site is mapped for a period of one to two years after which wind turbines are installed over a period of two to three months at appropriate distances between them to minimize any potential disturbances between turbines.

Capacity Addition Plans (11th and 12th Plans)

11th Plan (FY2008 to FY2012)

According to National Electricity Plan (April 2007), the requirement of additional capacity during the 11th Plan (Fiscal 2008 to Fiscal 2012) to meet all-India peak demand of 152,746 MW and energy generation requirement of 1,038 BU at the end of 11th Plan (Fiscal 2012) is approximately 82,500 MW.

The following table depicts the capacity addition during the 11th Plan as on October 31, 2009.

Projected Capacity Additions (MW)				
Sector	**Hydro**	**Thermal**	**Nuclear**	**Total**
Central	8,654	24,840	3,380	36,874

Projected Capacity Additions (MW)				
Sector	**Hydro**	**Thermal**	**Nuclear**	**Total**
State	3,482	23,301	-	26,783
Private	3,491	11,552	-	15,043
All-India	**15,627**	**59,693**	**3,380**	**78,700**

Source: Power Scenario at a Glance, June, 2009 (CEA) available at http://www.cea.nic.in/planning/POWER%20SCENARIO%20AT%20A%20GLANCE/PSG.pdf

This represents a growth in generation capacity of 9.8% per annum during the 11th Plan period, over the installed capacity of 132,329 MW at the end of Fiscal 2007. According to the "White Paper on Strategy for 11th Plan", August 2007, to achieve the planned capacity generation target during the 11th plan, investment of Rs. 4,109.00 billion is required.

12th Plan (Fiscal 2013 to Fiscal 2017)

According to National Electricity Plan (April 2007), the capacity addition required during the 12th Plan would be approximately 71,000 MW to 107,500 MW based on normative parameters.

The following table presents the various scenarios for required capacity generation during the 12th Plan.

Capacity Addition required during 12th Plan (2012-17)					
GDP Growth	**GDP / Electricity Elasticity**	**Electricity Generation Required (BU)**	**Peal Demand (MW)**	**Installed Capacity (MW)**	**Capacity Addition Required During 12th Plan (MW)**
8%	0.8	1,415	215,700	280,300	70,800
	0.9	1,470	224,600	291,700	82,200
9%	0.8	1,470	224,600	291,700	82,200
	0.9	1,532	233,300	303,800	94,300
10%	0.8	1,525	232,300	302,300	92,800
	0.9	1,597	244,000	317,000	107,500

Source: National Electricity Plan (April 2007), available from printed reports procured from Central Electricity Authority

Captive Power Generation

Another segment of power generation in India is the captive power segment. Captive power refers to power generation from a project set up for industrial consumption. According to Monthly Review of Power Sector, June 2009 (CEA), captive power capacity, at 19,509.49 MW, accounted for 12.97% of the total installed capacity in India as of June 30, 2009. The dependence on captive power has been increasing, due to the continuing shortage of power and India's economic growth.

The Electricity Act 2003 provided additional incentives to captive power generation companies to grow by exempting them from licensing requirements. This has resulted in an increase in captive power capacity. Reliability of power supply and better economics are other factors driving industries to develop captive generation plants.

Merchant Power Generation

Merchant power plants ("MPPs"), generate electricity for sale in the open wholesale market. Typically MPPs, do not have long-term PPAs and are generally built and owned by private developers at their own cost. Merchant power plants are a product of the restructuring of the electricity industry.

MPPs can generally be categorized into different classes based on the amount of time that the facility is operating and their variable costs to produce electricity. A facility's variable cost to produce electricity, in turn, determines the order in which it is used to meet fluctuations in electricity demand. Base-load facilities are those

that typically have low variable costs and provide power at all times. Base-load facilities are used to satisfy the base level of demand for power, or "load," that is not dependent upon time of day or weather. Peaking facilities have the highest variable cost to generate electricity and typically are used only during periods of the highest demand for power. Intermediate facilities have cost and usage characteristics in between those of base-load and peaking facilities.

Typically, base-load units are selected for an area of relatively high load factors or stable energy use. Alternatively, peaking units are typically selected for an area of relatively low-load factors or high volatility in load demand. The availability goals of all units are driven by "in-market" availability, that is availability during periods when power prices are significantly above the variable cost of producing power at the facility.

In order to facilitate the development of electricity market, the Ministry of Power has issued the approach and the guidelines on development of MPPs, for which coal linkage/captive coal blocks allotment would be available. MPPs up to a capacity of about 1000 MW would be provided coal linkage and captive coal blocks may also be provided to MPPs with capacities in the range of 500 - 1000 MW.

National Electricity Plan (April 2007) estimates that approximately 10,000 to 12,000 MW capacity will be developed through this initiative. National Electricity Plan (April 2007) believes capacity addition through this route would further contribute to better economic growth, better reliability of power, more spinning reserves and most importantly would promote creation of competition in the electricity market.

Tariffs

Tariffs for MPPs are governed by agreements between power generation companies and utilities known as power purchase agreements, or PPAs. Tariffs for state sector generators are regulated by the State Electricity Regulatory Commissions. The Electricity Act 2003 empowers the Central Electricity Regulatory Commission, or CERC, to set the tariff of generating companies owned or controlled by the GoI and other entities with interstate generation transmission operations.

The GoI finalized the National Tariff Policy ("NTP"), on January 6, 2006, as amended on March 31, 2008. The NTP has aided the power reforms by outlining guidelines for multi-year tariffs, rate of returns for generation and transmission projects, tariff modalities for utilities, subsidy to consumers and cross subsidy calculations. These guidelines are not applicable however, if the tariff is fixed through a transparent bidding process.

Provisions of National Tariff Policy

One of the main objectives of the NTP is to promote competition, efficiency in operations and improvement in quality of supply and ensure availability of electricity to consumers at reasonable and competitive rates. The NTP reiterates the importance of implementing competition in different segments of the electricity industry, as highlighted in the Electricity Act, 2003 and that competition leads to significant benefits for consumers through reduction in capital costs and increase in the efficiency of operations. The NTP also promotes competitive pricing.

The NTP requires that all future power procurement needs should be procured competitively by distribution licensees except in cases of expansion of existing projects or where there is a state controlled or state-owned developer involved, in which case, regulators will need to resort to tariff determination based on norms. Even for the public sector projects, tariffs of all new generation and transmission projects should be decided on the basis of competitive bidding after a period of five years or when CERC is satisfied that the situation is ripe to introduce such competition. However, a developer of a hydroelectric project who is not a state controlled or a state owned company, has the option of having the tariff determined by a regulatory commission on a performance based cost of service basis, provided that certain conditions described in NTP are fulfilled.

Guidelines for Determination of Tariff by Bidding Process for Procurement of Power by Distribution Licensees

The Guidelines for competitive bidding for determination of tariff for procurement of power by distribution licensees were issued on January 19, 2005, as amended on March 27, 2009, with the main objectives of promoting competitive procurement, facilitating transparency and fairness, reducing information asymmetry, protecting and providing flexibility to suppliers on availability of power while ensuring certainty on tariffs for

buyers. These initiatives are causing a change in the allotment of power projects from the traditional cost plus tariff norms to an international competitive bidding approach.

The guidelines shall apply for procurement of base-load, peak-load and seasonal power requirements through competitive bidding, through the following mechanisms:

- Where the location, technology, or fuel is not specified by the procurer (Case 1);

- For hydro-power projects, load center projects or other location specific projects with specific fuel allocation such as captive mines available, which the procurer intends to set up under a tariff based bidding process (Case 2).

However, the guidelines provide that separate RFP's shall be used for procuring base-load, peak-load or seasonal power requirements, as the case may be.

Transmission

In India, the transmission and distribution system is a three-tier structure comprising regional grids, state grids and distribution networks. Most interstate transmission links are owned and operated by the Power Grid Corporation of India Limited, or PGCIL, though some are owned by the State Electricity Boards, or SEBs. In addition, PGCIL owns and operates many inter-regional transmission lines (which are a part of the national grid) to facilitate transfer of power from a region of surplus to one with deficit. State grids and distribution networks are primarily owned and operated by the respective SEBs or state governments (through state electricity departments).

Because peak demand does not occur simultaneously in all states, situations may arise in which there is surplus of power in one state while another state faces a deficit. The regional grids facilitate transfers of power from a power surplus state to a power deficit state. The grids also facilitate the optimal scheduling of maintenance outages and better co-ordination between the power plants. The regional grids are to be gradually integrated to form a national grid, whereby surplus power from a region could be transferred to a region facing power deficits, thereby facilitating a more optimal utilisation of the national generating capacity. According to the National Electricity Plan (April 2007), the present interregional power transfer capacity of 14,100 MW at the end of 10th Plan is expected to be enhanced to 37,700MW by 2012. For the creation of such a national grid, the total investment requirement in the central transmission sector during the Eleventh Five-Year Plan period is expected to be Rs. 1,400 billion.

In addition, the Electricity Act 2003 provides for open access, whereby any generator has non-discriminatory access to transmission lines or distribution systems, and permits the creation of alternative or parallel distribution networks, provided there is available space on the transmission network. Private sector investments have been allowed in the transmission sector and foreign direct investment in this sector is being encouraged by the GoI.

Distribution

Power distribution is a critical link between power generation, power transmission and end users of power. As a result of high aggregate technical and commercial losses ("AT&C") losses and the historically weak financial health of SEBs, investments in the distribution sector have been relatively low and the growth and maintenance of distribution systems in India has been poor.

To improve the distribution of power, the GoI has formulated the Accelerated Power Development Reform Programme ("APDRP"). The objectives of this programme are to improve the financial viability of state power utilities, reduce AT&C to around 10%, improve customer satisfaction and increase the reliability and quality of the power supply.

The APDRP scheme has two components as described below:

- Investment component – GoI provides additional central assistance for strengthening and upgrading the sub-transmission and distribution network. 25% of the project cost is provided as additional central plan assistance in form of a grant to the state utilities. To begin with the GoI also provides loan in an amount of

25% of the project cost. However in accordance with the recommendation of 12th Finance Commission, the loan component has been discontinued from FY 2005-06. Now utilities have to arrange for the payment of the remaining 75% of the project cost from FIs like PFC/REC or their own resources. Special category states (such as the North Eastern states, Jammu and Kashmir, Himachal Pradesh, Uttaranchal and Sikkim) are entitled to 90% assistance in the form of the grant with the remaining 10% balance being funded by the states themselves.

- Incentive component – An incentive equivalent to 50% of the actual cash loss reduction by SEBs/Utilities, is provided as grant. The year 2000-01 is the base year for the calculation of loss reduction in subsequent years. The cash losses are calculated net of subsidy and receivables.

Trading

Historically the main suppliers and consumers of bulk power in India have been the various government controlled generation and distribution companies who typically contracted power on a long-term basis by way of PPAs with regulated tariffs. However in order to encourage entry of MPPs and private sector investment in the power sector, The Electricity Act, 2003 recognized power trading as a distinct activity from generation, transmission and distribution and has facilitated the development of a trading market for electricity in India by providing for open access to transmission networks for normative charges.

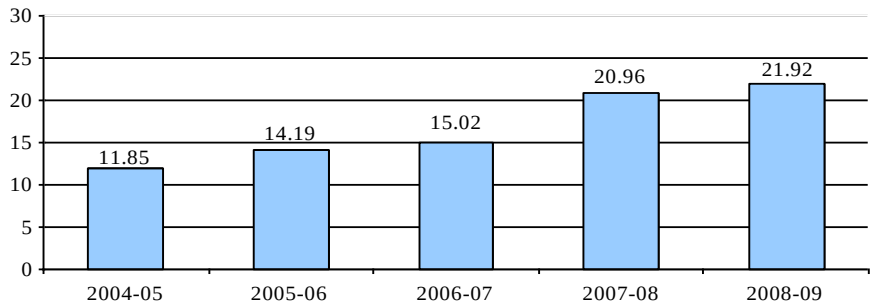
The Electricity Act, 2003 specifies trading in electricity as a licensed activity. Trading has been defined as purchase of electricity for resale. This may involve wholesale supply (i.e. purchasing power from generators and selling to the distribution licensees) or retail supply (i.e. purchasing from generators or distribution licensees for sale to end consumers).

Indian Energy Exchange ("IEX") is India's first nation-wide automated and online electricity trading platform. IEX seeks to catalyze the modernization of electricity trade in India by allowing trading through a technology enabled platform. On June 9, 2008, IEX received Central Electricity Regulatory Commission approval for commencing operations. IEX is a demutualised exchange that facilitates efficient price discovery and price risk management in the power trading market. IEX offers a broader choice to generators and distribution licensees for sale and purchase of power facilitating trade in smaller quantities. IEX enables participants to precisely adjust their portfolio as a function of consumption or generation. *(Source: www.iexindia.com).*

Power Exchange India Limited ("PXIL") is a fully electronic, nation-wide exchange for trading of electricity. It has been promoted by two of India's leading Exchanges, National Stock Exchange of India Ltd (NSE) & National Commodities & Derivatives Exchange Ltd (NCDEX). PXIL aims to provide transparent and fair price discovery mechanism which can signal massive potential investments into the Indian Power Sector. PXIL received regulatory approval from Central Electricity Regulatory Authority (CERC) on September 30, 2008 to begin operations and PXIL successfully began its operations on October 22, 2008. (*Source: http://www.powerexindia.com/index.html)*

With the aid of the reforms, the volume of power traded as well as its traded price has grown rapidly over the last few years. The following graph and table show the increasing volume of power traded for the periods indicated.

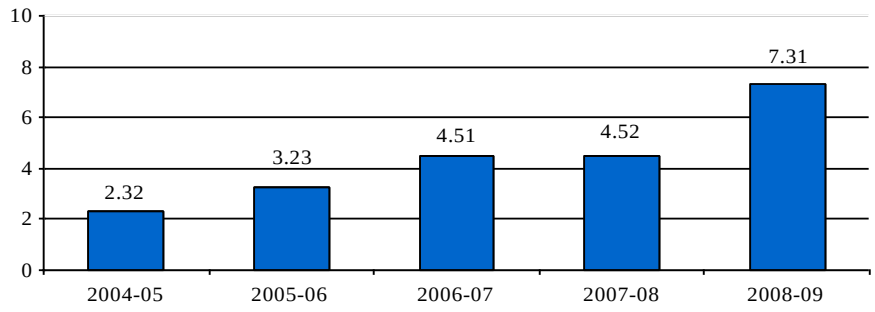
Volume of Electricity Traded by the Trading Licensees
BU



Source: http://www.cercind.gov.in

The following table shows higher prices of power traded for the periods indicated:

Weighted Average Price of Electricity Traded by Licensees and Power Exchanges
BU



Note : The price in 2008-09 represents the Weighted Average Price of electricity transacted through trading licensees and power exchanges and the price in the rest of the years represents the price of electricity transacted through licensees only.

Source: http://www.cercind.gov.in

Mega Power Projects

The following conditions are required to be fulfilled by the developer of power projects for grant of Mega Power Project status:

- an inter-state thermal power plant with a capacity of 700 MW or more, located in the states of Jammu and Kashmir, Sikkim, Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland and Tripura; or

- an inter-state thermal power plant of a capacity of 1,000 MW or more, located in states other than those specified in clause (a) above; or

- an inter-state hydro electricity power plant of a capacity of 350 MW or more, located in the states of Jammu and Kashmir, Sikkim, Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland and Tripura; or

- an inter-state hydro electricity power plant of a capacity of 500 MW or more, located in states other than those specified in clause (c) above.

Fiscal concessions/benefits available to the Mega Power Projects:

- Zero Customs Duty: The import of capital equipment would be free of customs duty for these projects.

- Deemed Export Benefits: Deemed export benefits are available to domestic bidders for projects both under public and private sector on meeting certain requirements.

- Pre-conditions for availing the benefits: Goods required for setting up of any mega power project, qualify for the above fiscal benefits after the project is certified that:

  (i) the power purchasing states have granted to the Regulatory Commissions full powers to fix tariffs; and

  (ii) the power purchasing states undertakes, in principle, to privatize distribution in all cities, in that state, each of which has a population of more than one million, within a period to be fixed by the Ministry of Power.

- Income Tax benefits: In addition, the income-tax holiday regime as per Section 80-IA of the Income Tax Act 1961 is also available.

Ultra Mega Power Projects

Development of Ultra Mega Power Projects ("UMPPs") has been identified by GoI as a key area of potential development. These are very large sized projects, approximately 4000 MW each, involving an estimated investment of about Rs. 160,000 million. These projects are designed to meet power needs of a number of states and distribution companies located in these states, and are being developed on a Build, Own, and Operate ("BOO") basis. As promotion of competition is one of the key objectives of the Electricity Act, 2003, and of the legal provisions regarding procurement of electricity by distribution companies, identification of the project developer for these projects is being done on the basis of tariff based competitive bidding. Guidelines for determination of tariff for procurement of power by distribution licensees have been notified in January 2005 under the provisions of the Electricity Act, 2003. The Power Finance Corporation, a PSU under the Ministry of Power, has been identified as the nodal agency for this initiative.

Salient features of the Plant and Choice of Technology

- The Ultra Mega Power Projects are required to use super critical technology with a view to achieve higher levels of fuel efficiency, resulting in saving of fuel and lower green-house gas emissions;

- Flexibility in unit size subject to adoption of specified minimum supercritical parameters;

- Integrated power project with dedicated captive coal blocks for pithead project; and

- Coastal projects to use imported coal.

To date, projects have been awarded for four UMPPs, Sasan in Madhya Pradesh, Mundra in Gujarat, Krishnapatnam in Andhra Pradesh and Tilaiya in Jharkhand.

National Electricity Policy

In compliance with The Electricity Act, 2003 the Central Government notified the National Electricity Policy in February, 2005. The National Electricity Policy aims at achieving the following objectives:

- Access to Electricity - Available for all households by 2010;

- Availability of Power - Demand to be fully met by 2012. Energy and peaking shortages to be overcome and adequate spinning reserve to be available;

- Supply of Reliable and Quality Power of specified standards in an efficient manner and at reasonable rates;

- Per capita availability of electricity to be increased to over 1000 units by 2012;

- Minimum lifeline consumption of 1 unit/household/day as a merit good by year 2012;

- Financial Turnaround and Commercial Viability of Electricity Sector; and

- Protection of consumers' interests.

Mission 2012: Power for All

The Ministry of Power has set a goal - Mission 2012: Power for All. A comprehensive blueprint for power sector development has been prepared encompassing an integrated strategy for the sector development with following objectives:

- Sufficient power to achieve GDP growth rate of 8%;

- Reliable and quality power at premium cost;

- Commercial viability of power industry; and

- Power for all.

Strategies to achieve these objectives:

- Power Generation Strategy with focus on low cost generation, optimisation of capacity utilisation, controlling the input cost, optimisation of fuel mix, technology upgradation and utilisation of Non Conventional energy sources.

- Transmission Strategy with focus on development of National Grid including Interstate connections, technology upgradation and optimisation of transmission cost.

- Distribution strategy to achieve Distribution Reforms with focus on System upgradation, loss reduction, theft control, consumer service orientation, quality power supply commercialization, decentralized distributed generation and supply for rural areas.

- Regulation Strategy aimed at protecting Consumer interests and making the sector commercially viable.

- Financing Strategy to generate resources for required growth of the power sector.

- Conservation Strategy to optimise the utilisation of electricity with focus on Demand Side management, Load management and Technology upgradation to provide energy efficient equipment/gadgets.

- Communication Strategy for political consensus with media support to enhance the general; public awareness

OUR BUSINESS

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Draft Red Herring Prospectus, including the information contained in the section entitled "**Risk Factors**," beginning on page xiii of the Draft Red Herring Prospectus.*

In this section, a reference to the "Company" means Jindal Power Limited. Unless the context otherwise requires, references to "we", "us", "our" or "JPL" refers to Jindal Power Limited and its Subsidiaries, taken as a whole.

Overview

We are an established power generation company with a fully operational thermal power project of 1,000 MW installed generation capacity since September 2008, three thermal power projects and three hydroelectric projects under various stages of implementation with an aggregate installed generation capacity of 10,480 MW, and two thermal power projects and one hydroelectric project under various stages of planning with an aggregate installed generation capacity of 4,180 MW. Our 1,000 MW coal based power project at Tamnar in district Raigarh, Chhattisgarh ("Tamnar I Project") was the first power plant to achieve 'mega' power project status in the private sector in India. Two of our projects under implementation in Jharkhand and one of our projects under planning in Odisha were previously being developed by JSPL but are in the process of being assigned to us, subject to certain regulatory approvals. Our Tamnar I Project and a majority of our thermal power projects under implementation have well established fuel supplies from captive coal mines owned and/or operated either by us, or JSPL, one of our Promoters, or Shresth Mining and Metals Private Limited ("SMMPL"), one of our Group Companies. We seek to become a leading power company in the Indian power sector by operating and implementing projects which use a wide range of fuel sources, including renewable energy sources and having a presence across the value chain of the power sector, from power generation to power trading. We intend to capitalize on emerging opportunities in the Indian power sector, which are being driven by the demand and supply imbalance in India. According to Power Scenario at a Glance, October 2009 (CEA), the total energy deficit and peak power deficit during April to October 2009 was approximately 9.4% and 12.1%, respectively.

We commenced the commercial operation of the first 250 MW unit of our Tamnar I Project in December 2007. With the commencement of commercial operations of the remaining three 250 MW units of our Tamnar I Project in fiscal 2009, our unconsolidated total income increased from Rs. 1,258.65 million in fiscal 2008 to Rs. 33,142.64 million in fiscal 2009. Our employee base increased from 364 employees in fiscal 2008 to 596 employees in fiscal 2009. We are a subsidiary of JSPL which is engaged in the manufacture of steel and captive power generation with a total income of Rs. 77,994.30 million for the year ended March 31, 2009. JSPL has been operating since 1998, is listed on the BSE and the NSE and had more than 5,772 employees as of March 31, 2009. As a subsidiary of JSPL, we benefit from group synergies, including access to talent, competitive commercial terms and critical equipment and supplies and technical expertise and knowledge. JSPL has indicated to us that all future independent power generation projects in India to be undertaken by JSPL will be developed by our Company.

Our Tamnar I Project commenced full commercial operations in September 2008. It is a fully integrated project with captive coal mines where coal is transported through a 6.9 km pipe conveyor belt built by us and power is evacuated through a 258 km long 400 kV double circuit dedicated transmission line built by us to the national power grid. We excavated approximately 4.89 million tons of coal in Fiscal 2009 and have approval to mine up to 6.25 million tons in Fiscal 2010. The Tamnar I Project has its own pipeline and a 18 meter high dam at the Kurket river to transport the water to, and store the water at Tamnar I Project. We are also operating and maintaining the project internally. The project has been operating efficiently, with a PLF of 84.40% during the year ended March 31, 2009 and a PLF of 95.74% during the three months ended June 30, 2009. We currently sell power produced by this project through bilateral power purchase arrangements and power exchanges to state-owned utilities and power distribution and trading companies. We believe our strategy of selling power through arrangements of varying durations and terms helps us respond quickly to market conditions and benefit from the favourable demand and supply dynamics of the Indian power sector. We believe this enabled us in achieving robust profitability during fiscal 2009 and the three months ended June 30, 2009.

We plan to leverage our experience from commissioning and operating the Tamnar I Project to implement a 2,400 MW coal based power project at Tamnar ("Tamnar II Project") adjacent to the Tamnar I Project. This

4x600 MW project is in an advanced stage of implementation. In addition to the Tamnar II Project, we expect to commission two additional thermal power projects and three hydroelectric projects with an aggregate installed generation capacity of 8,080 MW that are under various stages of implementation, which include a 1,320 MW coal based power project in Dumka, Jharkhand ("Dumka Project"), a 660 MW coal based power project in Godda, Jharkhand ("Godda Project"), a 4,000 MW hydroelectric power project in Etalin, Arunachal Pradesh ("Etalin Project"), a 500 MW hydroelectric power project in Attunli, Arunachal Pradesh ("Attunli Project") and a 1,600 MW hydroelectric power project in Subansiri Middle, Arunachal Pradesh ("Subansiri Middle Project"). The Etalin Project, the Attunli Project and the Subansiri Middle Project are being developed through joint ventures with Hydro Power Development Corporation of Arunachal Pradesh Limited (HPDCAPL). We are also planning to expand our generation capacity through the construction of a 2,640 MW thermal power project in Jharkhand ("2,640 MW Jharkhand Project"), a 1,320 MW coal based power project in Angul, Odisha ("Angul Project") and a 220 MW hydroelectric power plant in Chainpur Seti, Nepal ("Nepal Project") that are under various stages of planning. Each of these projects is strategically located to be in close proximity to fuel sources and to access high deficit power regions of India.

We intend to sell power through PPAs of varying durations and power exchanges to JSPL, state-owned utilities and power distribution and trading companies. We plan to sell power through a mix of short-term (ranging from one hour to 12 months), medium-term (ranging from one to four years) and long-term (over four years) PPAs.

Our subsidiary, Chhattisgarh Energy Trading Co. Ltd ("CETC") is engaged in power trading activities. CETC has a "Category II" license which allows us to trade power produced by third parties.

We are experienced in the operation and management of power projects. We operate and maintain our Tamnar I Project and intend to do so for our future projects.

Our Tamnar I Project's quality, environmental and safety management systems are certified to be in compliance under ISO 9001:2000, ISO 14001:2004 and OHSAS 18001:2007.

Assignment

On November 30, 2009, JSPL entered into assignment agreements with our Company in respect of the following projects, subject to receipt of all applicable regulatory approvals:

- The Dumka Project located in Dumka, Jharkhand. This project was previously being developed by JSPL as a captive power plant ("CPP"). The assignment is subject to the approval of Government of Jharkhand ("GoJ") and various other approvals;

- The Godda Project located in Godda, Jharkhand. This project was previously being developed by JSPL as a CPP. The assignment is subject to the approval of GoJ and various other approvals; and

- The Angul Project located in Angul, Odisha. The assignment is subject to the approval of the Government of Odisha through Industrial Promotion and Investment Corporation of Orissa Limited, ("IPICOL").

For further details regarding the assignment agreements and applicable regulatory approvals, see "***Description of Certain Key Contracts***" and "***Government and Other Approvals***" on pages 96 and 245, respectively.

Reorganization

On June 1, 2009, our Board of Directors approved the sale of our subsidiaries, Jindal Petroleum Limited and Power Plant Engineers Limited. On June 30, 2009, we entered into agreements for the sale of our shares in Power Plant Engineers Limited to Abhinandan Investment Limited and Mansarovar Investment Limited. On the same date, we also entered into agreements for the sale of our shares in Jindal Petroleum Limited to Abhinandan Investment Limited, Mansarovar Investment Limited and Stainless Investment Limited.

Our Strengths:

We believe that we are well positioned to capitalize on growth opportunities in the Indian power sector, due to the following:

- *We are an established power generating company*. We have been in the business of power generation since December 2007 and are an established player with our operational Tamnar I Project which is the first 'mega' power project in the private sector in India.

  We have a track record of operating power projects in an efficient manner. For example, for our Tamnar I Project, we have generated robust profitability since its first year of operation at full capacity and achieved the following performance parameters which demonstrates efficient project operation:

  - a high plant load factor, or "PLF", with an average PLF of 77.22% from the date of achieving commercial operation in December 2007 until March 2008, 84.40% from April 2008 until March 2009 and 95.74% from April 2009 until June 2009, which is within approximately 10 months of commissioning the fourth 250 MW unit of our Tamnar I Project;

  - an improving plant availability factor, with an average plant availability factor of 81.58% from the date of achieving commercial operation in December 2007 until March 2008, 92.80% from April 2008 until March 2009 and 96.13% from April 2009 until June 2009; and

  - low percentage of auxiliary power consumption of our operational power project, with an average of 9.1% from the date of achieving commercial operation in 2007 to March 31, 2009.

  We have also established infrastructure for operation of our power projects. For example, we built a 6.9 km pipe conveyor belt for transport of coal and a 258 km long 400 kV double circuit transmission line to evacuate power from our Tamnar I Project. We also built our own pipeline and a 18 meter high dam at the Kurket river to transport the water to, and store water at our Tamnar I Project. We believe that our ability to run the project efficiently helped us in achieving robust profitability during fiscal 2009 and the three months ended June 30, 2009.

- *Captive fuel tie-ups and experience in operating fuel sources.* We have been able to establish sources of fuel for our operational power project and for a majority of our projects under implementation which we believe gives us competitive advantage by enabling us to source fuel at competitive prices and reducing our exposure to fluctuations in fuel prices. The captive fuel sources also enable us to procure equipment of the necessary specifications for our projects as such specifications are dependant on the quality of coal to be used for our projects. We operate the Gare Palma IV/2 and IV/3 captive coal mines in Chhattisgarh which currently supply coal to our Tamnar I Project. We built a 6.9 km pipe conveyor belt to transport coal from the mines to our Tamnar I Project. These coal mines have geological reserves of approximately 246 million tons, based on information provided by the Ministry of Coal, and have been leased to us for a period of 30 years by the Government of Chhattisgarh, or GoC. The Dumka Project and the Godda Project under implementation in Jharkhand, which are in the process of being assigned to us from JSPL, have been allotted the Amarkonda-Murgadangal and Jitpur captive coal blocks with approximately 205 million tons and 81 million tons geological reserves, respectively, based on information provided by the Ministry of Coal. We have excavated approximately 4.89 million tons of coal in Fiscal 2009 and JSPL has excavated approximately 6.0 million tons of coal in Fiscal 2009. We believe that our Company's and JSPL's experience in operating coal mines gives us a competitive advantage.

- *Strategic location of our power projects.* Our power projects in operation and under implementation have access to both fuel sources and are in close proximity to areas with high power deficits. Our thermal power projects are proposed to be located in the states of Chhattisgarh and Jharkhand which account for approximately 45% of India's coal resources (*Source: Ministry of Coal website, www.coal.nic.in).* We believe that transporting coal is more expensive than transmitting power. Accordingly, our thermal projects benefit from being in proximity to the fuel sources. Similarly our hydroelectric power projects are located in the state of Arunachal Pradesh which has abundant supply of running water required for hydroelectric projects. Our hydroelectric power projects are designed to be run-of-the-river projects to harness the water flow of the Dibang River, Tangon River and Kamla River. Our projects are strategically located in the western and north-eastern regions of India which, according to the CEA Monthly Review of Power Sector October 2009, had an energy deficit of 16.2% and 17.9%, respectively, for the six months ended October 31, 2009.

- *Experience in project management and track record of executing a large power project.* We and our project management consultant, JSPL, developed the Tamnar I Project which was the first power plant to

achieve 'mega' power project status in the private sector in India. Through this experience, we have gained valuable insights and developed direct relationships with vendors and equipment suppliers, and are currently implementing six power projects capable of generating power aggregating to 10,480 MW. Our Tamnar I Project was commissioned ahead of schedule and based on progress to date, we believe that a majority of our power projects currently under implementation are likely to achieve commercial operation on or earlier than the scheduled commercial operations date specified in the lenders' reports. We are responsible for the overall implementation of our projects including conceptualizing the project with the aid of technical engineers, ensuring timely approvals for each project and ordering equipment for our projects.

- *Benefits of Parentage.* We are a subsidiary of JSPL which is engaged in steel production and captive power generation with a total income of Rs. 77,994.30 million for the year ended March 31, 2009. JSPL has been operating since 1998, is listed on the BSE and the NSE and had more than 5,772 employees as of March 31, 2009. JSPL is an established player in the captive power sector with over 10 years of experience in the captive power sector. JSPL currently operates a 358 MW CPP at Raigarh in Chhattisgarh and is in the process of implementing a 540 MW captive power plant at Raigarh in Chhattisgarh and a 810 MW CPP at Angul in Odisha. JSPL also owns and operates captive coal and iron ore mines. As a subsidiary of JSPL, we benefit from group synergies, including access to talent, competitive commercial terms, critical equipment and supplies and technical expertise and knowledge. We currently sell and plan to continue to sell a portion of power generated to JSPL for its steel plants under operation, implementation, planning and for its distribution business. JSPL has indicated to us that all future independent power generation projects in India to be undertaken by JSPL will be developed by our Company.

- *Experienced and qualified management.* We are a professionally managed company with an experienced management team possessing extensive industry experience. Our key management personnel have experience in the implementation, operation and maintenance of large power projects and have held leading positions in India's top power sector companies. We believe our experienced management team, combined with our sound internal controls and risk management measures help maintain our competitive advantage in the marketplace.

- *Strong financial profile.* We are an established operating company with a track record in power generation. Our net worth on an unconsolidated basis has grown from Rs. 8,250.27 million as of March 31, 2008 to Rs. 31,110.51 million as of June 30, 2009, primarily due to profits from our operations. On account of our financial profile, including robust operating cash flows, we have been able to prepay Rs. 10,910.75 million of loans taken by us to fund the development of our operational Tamnar I Project between April 1, 2009 and October 31, 2009.

- *Off-take arrangements*. Our power off-take arrangements reflect a careful balance between risk, cash flows, and revenue through a mix of long-term, medium-term and short-term power purchase arrangements. We intend to sell power through PPAs of varying durations and power exchanges to JSPL, state-owned utilities and power distribution and trading companies. We plan to sell power through a mix of short-term (ranging from one hour to 12 months), medium-term (ranging from one to four years) and long-term (over 4 years) PPAs. The average price realization for power sold on a short-term basis for fiscal 2009 was Rs. 5.91 per unit.

Our Strategy

Our goal is to become a leading full-service integrated power company in the Indian power sector with a presence across the value chain of the power sector, from power generation to power trading, and to capitalise on the opportunities provided by the power sector in India.

- *Capitalize on the growth of the Indian power generation sector*. The power sector in India has historically been characterized by power shortages that have consistently increased over time. According to the CEA October 2009 Report, the total peak shortage was 14,672 MW from April 2009 to October 2009. As per the IEP Report, Expert Committee on Power, in the 11th Plan (2007-2012), a capacity addition of 71 gigawatts, or GW, and 84 GW, assuming a 8.0% and 9.0% GDP growth rate, respectively, would be required by 2012. In the 12th Plan (2013-2017), a capacity addition of 82 GW and 94 GW, assuming a 8.0% and 9.0% GDP group, respectively, would be required by 2017. Given our experience

in project management, we believe that we are well-positioned to capitalize on this growth through our projects under implementation. We plan to benefit from the existing deficits through our power projects under operation, implementation and will continue to look at further opportunities to set up new power projects.

- *Focus on hydro and other forms of environmentally-friendly and renewable energy power generation.* Our 1,000 MW Tamnar I Project and 4,380 MW of our power projects under implementation are primarily coal based. Our vision is to establish a presence in other forms of power generation such as gas, hydro, wind, nuclear and solar power, with a focus on hydro and other forms of environmentally friendly renewable energy sources. We are evaluating options with respect to setting up a wind power facility including discussions with suppliers of wind power plants. We have also applied to the regulatory authorities in Rajasthan for power capacity allocations for a 500 MW solar power project and are exploring technology options and suppliers. We are also examining the feasibility of nuclear power generation.

We are in the exploratory phase for most of these forms of alternate fuel. However, we have executed joint venture agreements for the development of three hydroelectric projects with a combined capacity of 6,100 MW and have recently been granted a license to survey the feasibility of setting up a 220 MW hydro power plant in Chainpur Seti, Nepal. The primary advantage of our hydroelectric projects in India is the perennial flow of water due to snowmelt and climatic conditions.

We intend to develop our power projects under assignment in a 660 MW configuration using super critical technology in order to take advantage of lower fuel costs using this technology. Super critical technology uses higher temperature and pressure of steam for thermal power generation in comparison to other conventional coal fired power plants. Power plants using super critical technology offer higher thermodynamic efficiency, lower consumption of fuel leading to lower carbon dioxide emissions and lower ash production.

- *Focus on flexible power off-take agreements.* We plan to maintain a combination of long, medium and short-term PPAs with a mix of state distribution companies, industrial consumers and power trading companies as part of our credit risk management and achieve high profitability. We believe our strategy of selling power through arrangements of varying durations and terms helps us respond quickly to market conditions and benefit from the favourable demand/supply dynamics of the Indian power sector. We believe that this strategy enabled us in achieving robust profitability during fiscal 2009 and the three months ended June 30, 2009 which will enable us to take advantage of the emerging power scenario in India. We also intend to sell power through PPAs of varying durations to JSPL.

- *Further diversify our geographical presence.* We have and are planning to construct power plants in the states of Chhattisgarh, Jharkhand, Odisha and Arunachal Pradesh. We also have a project under planning in Nepal. We intend to further diversify our geographical presence across India and outside of India. In the future, we may acquire additional power generation development projects, existing power plants or related businesses on an opportunistic basis that we believe are a strategic fit with our business. We intend to acquire and develop projects closer to fuel sources and coastal based power projects in order to take advantage of imported coal. We are also actively looking for opportunities to acquire, develop and operate power plants outside India.

- *Establish presence across the value chain of power sector.* We intend to build an integrated energy business by establishing presence across the value chain of power sector and become a major power player in India. We plan to enter into power transmission, distribution and trading business in addition to our presence in power generation, captive fuel supplies and mining. We have established a subsidiary, CETC, to engage in power trading activities and have a "Category II" license which allows us to trade power produced by third parties.

- *Continue to secure and benefit from low-cost fuel supplies.* One of the key success factors in the power generation business is securing low cost fuel supplies and we are strongly placed to be able to satisfy our current fuel requirements. We intend to continue to secure fuel by acquiring coal assets or through captive coal allocations in India, or through fuel linkages, which we believe will result in a lower cost of power generation. We have applied to the Ministry of Coal for a long-term coal linkage in Raigarh, Chhattisgarh for our Tamnar II Project under implementation and have entered into a long-term coal

supply agreements with JSPL and SMMPL for the supply of coal for the Godda Project and the Dumka Project, respectively, under implementation in Jharkhand.

Using the expertise we have acquired from the JSPL's mining experience, we intend to develop the coal blocks that have been allotted to us, or may in the future be allotted to us, with an emphasis on production processes and operational efficiencies to extract coal at low costs. We plan to seek to maximize the availability of equipment and the output of the coal mines to continuously support the coal requirements of our power plants. We believe that obtaining additional coal block allotments and the mining of coal from such coal blocks allotted to us or operated by JSPL at a competitive cost and in sufficient quantity to satisfy the coal requirements of our power plants is key to the profitability and success of our business.

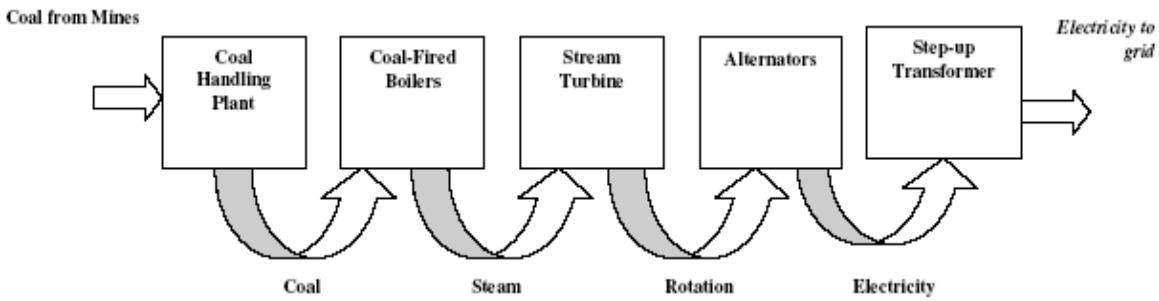
- *Continue to recruit, train and retain qualified personnel*. Our success depends upon our ability to recruit, train and retain high quality professionals. We conduct on-campus recruiting at the top engineering institutes in India, such as IIT Roorkee, IIT Kanpur, IIT Chennai, IIT Kharagpur. Furthermore, we also train certain of our engineers in the operation and maintenance of thermal power projects at Jindal Academy and the Jindal Institute of Power Technology, which were established by the Jindal Education and Welfare Society. We believe that the support of JSPL and our focus on performance, quality, training and growth will give us an advantage in attracting and retaining highly skilled employees.

Power Generation Technology

I. Coal-Fired Power

Each of our coal-fired power projects currently under implementation would employ pulverized coal combustion ("PCC") technology. In the PCC process, coal-handling plants receive coal, crush it to the size required and feed it to the boiler plants. Boiler plants then use coal pulverizers to grind the coal into a finer state before it is fed to the boiler furnace. The boilers are enclosures encased by tubes filled with flowing water. As the boiler furnace heats, the water flowing in the boiler tubes is converted into a high pressure and high temperature steam. This steam is conveyed to the turbine through steam pipelines. The steam produced in the boiler drives the steam turbines, making the turbines' rotate at high speeds. Alternators are attached to the steam turbines and rotate with the turbines' rotors. The alternators convert the energy generated by the rotation of the turbines' rotors into electricity. Step-up transformers then step up the voltage of electricity generated before it is fed to the grids for transmission. Transmission of electricity is done at very high voltage to minimize energy losses that occur when it passes through transmission lines.

The coal-fired power process is illustrated below:

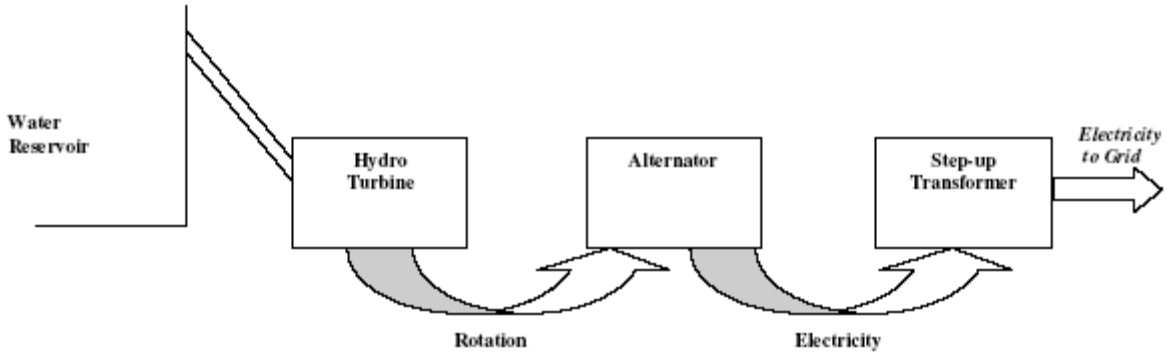


PCC technology can be divided into subcritical PCC technology and supercritical PCC technology. These technologies differ principally in the pressure and temperature at which steam is produced in the boiler. The pressure and temperature of steam in a supercritical plant are significantly higher than in a subcritical plant. Supercritical technology requires the use of advanced materials for the equipment that processes the steam. However, supercritical plants are more efficient compared to subcritical plants, requiring less coal than subcritical plants to generate the same amount of electricity. In addition, supercritical plants emit fewer pollutants than subcritical plants.

II. Hydroelectric Power

Each of our hydroelectric power projects currently under implementation would harness energy from water running from a higher height to a lower height and, in the process, drive a hydro-turbine, which rotates an alternator to produce electricity. The process of electricity generation in a hydro electric power plant is substantially the same as that of a coal-fired power plant except that the turbine in hydro plants is driven by water instead of steam from a boiler.

The hydroelectric power process is illustrated below:



Our Businesses

I. Our Power Generation Business

We classify our power projects as:

'***operational***', if the engineering, procurement and construction phase has been completed or substantially completed, trial operation has been satisfactorily completed and a trial operation certificate has been issued, a completion certificate has been issued or is in the process of being issued, and our Company is earning, or in the future will earn, revenue from operations pursuant to the terms of a power off-take agreement or sale on a short-term basis. We currently have one project in the operational phase:

- 1,000 MW coal based power project located in Tamnar, Raigarh, Chhattisgarh ("Tamnar I Project").

'***under implementation***, if (i) the Board of Directors have approved the project, (ii) we have either signed a MoU, or a joint venture agreement, or have entered into a deed of assignment to assign an MoU or a joint venture agreement and (iii) either we have identified a fuel source or we have commenced engineering, erection, installation or construction. Our projects under implementation include:

- *Thermal projects:*
  - 2,400 MW coal based power project located in Tamnar, Raigarh, Chhattisgarh ("Tamnar II Project").
  - 1,320 MW coal based power project located in Dumka, Jharkhand ("Dumka Project"); and
  - 660 MW coal based power project located in Godda, Jharkhand ("Godda Project").
- *Hydroelectric projects:*
  - 4,000 MW hydroelectric power project located in Etalin, Arunachal Pradesh ("Etalin Project");
  - 500 MW hydroelectric power project located in Attunli, Arunachal Pradesh ("Attunli Project"); and

- 1,600 MW hydroelectric power project located in Subansiri Middle, Arunachal Pradesh ("Subansiri Middle Project");

'***under planning***, if we have signed an MoU or have been granted a survey license. We currently have three projects in the planning phase:

- 2,640 MW power project located in Jharkhand ("2,640 MW Jharkhand Project");
- 1,320 MW power project located in Angul, Odisha ("Angul Project"); and
- 220 MW hydroelectric power plant in Chainpur Seti, Nepal ("Nepal Project").

The following table summarizes certain key features of our thermal power projects which are operational or under implementation:

Facility	Tamnar I Project	Tamnar II Project	Dumka Project(1)	Godda Project(1)
Status	Operational	Under implementation	Under implementation	Under implementation
Specifications				
Location	Tamnar, in Raigarh, Chhattisgarh	Tamnar, in Raigarh, Chhattisgarh	Dumka, Jharkhand	Godda, Jharkhand
Gross Capacity	1,000 MW	2,400 MW	1,320 MW	660 MW
Unit Capacity	4x250 MW	4x600 MW	2x660 MW	1x660 MW
Fuel	Coal	Coal	Coal	Coal
Procurement Status of Capital Equipments	Not applicable	BTG package for 4 x 600 MW awarded to BHEL	Under evaluation	Under evaluation
Technology	Sub-critical	Sub-critical	Super-critical	Super-critical
Expected Commercial Operation Date of the First Unit (2)	Operational since December 2007	December 2012	January 2014	January 2014
Expected Commercial Operation Date (2)	Fully operational since September 2008	December 2013	May 2014	January 2014
Financial information				
Estimated/ Actual Cost (3)	Rs. 43,384.00 million	Rs. 134,100.38 million	Rs. 72,240.00 million	Rs. 36,660.00 million
Amount Deployed as of November 30, 2009 (4)	Not applicable	Rs. 5,718.21 million	Rs. 7.32 million	Nil
Power Off-take Arrangements				
Type	Short and medium-term	Long-term CSEB, long-term PPA with JSPL and balance expected to be mix of short and medium-term	Long-term JSPL CPP and balance expected to be mix of short and medium-term	Long-term JSPL CPP and balance expected to be short and medium-term
Fuel Supply Arrangements				
Source/ Supplier	Captive coal mines at Gare Palma IV/2 and IV/3	Applied for long-term coal linkage	Fuel supply agreement with SMMPL for access to it's captive mine	Fuel supply agreement with JSPL for access to JSPL's captive mine
Term Expiration	Mining lease for 30 years from October 7, 2005	Not yet available	25 years from November 30, 2009	25 years from November 30, 2009

1) *These projects were being developed previously by JSPL and are being assigned to JPL subject to various regulatory approvals;*

2) *Based on the respective financing documents for each of the projects. For the Tamnar II Project, as per the contract agreement with BHEL effective December 27, 2008, for the supply of the main BTG plant package, the equipment shall be supplied so as to enable commissioning of unit I and II of the first phase of the project within 41 and 45 months of the effective date of the contract, and unit I and II of the second phase of the project within 49 and 53 months of the effective date of the contract. However, as per the information memorandums for debt financing for the first phase and the second phase, and the Tamnar II clarification letter, the implementation schedule has been conservatively assumed to be 47, 51, 55 and 59 months respectively for the units of the Tamnar II Project.*

3) *Estimated costs for projects under implementation as appraised by SBI Capital Markets Limited. Actual cost is given for our operational Tamnar I Project.*

4) *Amount deployed as of November 30, 2009 for projects under implementation as per the certificate of Lodha & Co., Chartered Accountants dated December 22, 2009.*

The following table summarizes certain key features of our hydroelectric power projects which are under implementation:

Facility	Etalin Project	Attunli Project	Subansiri Middle Project
Name of JV Company	Etalin Hydro Electric Power Company Limited	Attunli Hydro Electric Power Company Limited	JV company to be set up
Status	Under implementation	Under implementation	Under implementation
Specifications			
Location	Etalin, Arunachal Pradesh	Attunli, Arunachal Pradesh	Subansiri Middle, Arunachal Pradesh
Proposed Installed Capacity	4,000 MW	500 MW	1,600 MW
Participation Interest as of November 30, 2009	74%	74%	74%
Current Status	Detail project report in progress	Detail project report in progress	Detail project report in progress
Expected Commercial Operation	2020	2020	2018
Financial information			
Estimated Cost	Rs. 218,200.00 million(1)	Rs. 41,720.00 million(1)	Rs. 112,030.00 million
Amount Deployed as of November 30, 2009 (2)	Rs. 2,415.29 million	Rs. 132.83 million	Rs. 800.00 million
Power Off-take Arrangements			
Type	Expected to be short, medium and long-term	Expected to be short, medium and long-term	Expected to be short, medium and long-term

1) *Estimated costs based on preliminary project feasibility reports dated April 2004 and updated based on the Company's internal estimates as of June 30, 2009.*

2) *The amount deployed for our hydroelectric power projects under implementation is in the nature of loans and advances to subsidiaries, including for the payment of an upfront fee (including processing fee) to GoAP for these projects.*

The following table summarizes certain key features of our power projects which are under various stages of planning:

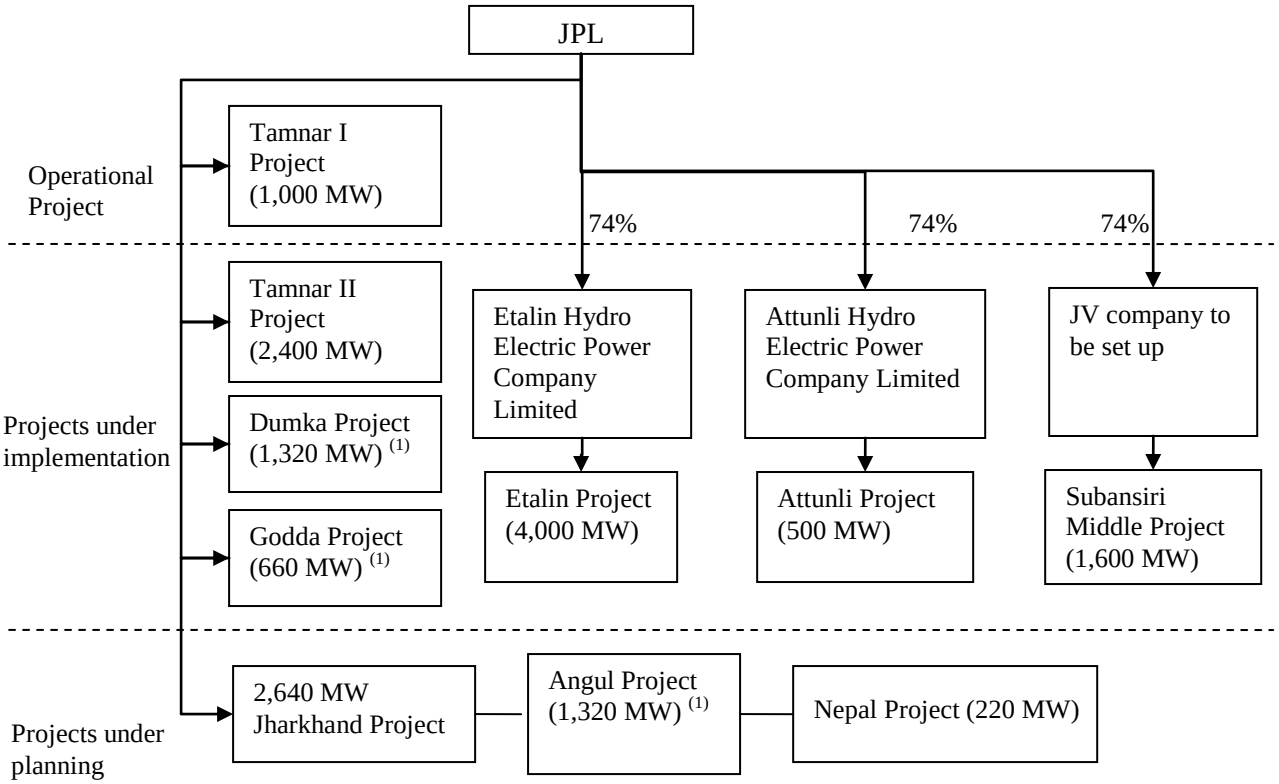
Project	Location	Proposed Installed Capacity	Type
2,640 MW Jharkhand Project	Jharkhand	2,640 MW	Thermal (coal-fired)
Angul Project (1)	Angul, Odisha	1,320 MW	Thermal (coal-fired)
Nepal Project	Chainpur Seti, Nepal	220 MW	Hydro

(1) *This project was being developed previously by JSPL and is being assigned to JPL subject to various regulatory approvals.*

For details of the plant and machinery ordered for our power projects under implementation and the implementation schedule, see "***Objects of the Issue***" on page 33.

Corporate Structure

The following chart outlines the corporate organizational structure of our power projects that are operational, under implementation and under planning:



1) *These projects were being developed previously by JSPL and are being assigned to JPL subject to various approvals.*

Our Operational Project

1. 1,000 MW Power Project, Tamnar, Raigarh, Chhattisgarh ("Tamnar I Project")

Overview

We own and operate a 4x250 MW coal-fired power project based on sub-critical technology at Tamnar in district Raigarh, Chhattisgarh on approximately 3,515 acres of land.

The Tamnar I Project was implemented in phases, with the first unit of 250 MW achieving commercial operation in December 2007 and the remaining three units of 250 MW each achieving commercial operation in April, June and September 2008, respectively. The Tamnar I Project's quality, environmental and safety management systems are certified to be in compliance under ISO 9001:2000, ISO 14001:2004 and OHSAS 18001:2007. The Tamnar I Project is a 'mega' power project, which entitles us to certain excise and custom duties exemptions. The Tamnar I Project was the first power plant to achieve 'mega' power project status in the private sector in India. See "***Industry Overview—Mega Power Projects***" on page 56 for more details on benefits available to a 'mega' power project.

We, along with JSPL, implemented the Tamnar I Project over a four year period. JSPL, as the project management consultant to the project, assisted us in the implementation of the Tamnar I Project by providing technical expertise acquired by it during the development of its captive power plant located in Raigarh and supply of materials for our Tamnar I Project. The four units, each with 250 MW capacity, comprising this project were completed within nine months of the completion of the first unit. This project was set-up with the entire project management oversight, operation and maintenance being performed internally by us. The Tamnar I Project has operated at PLF averaging 77.22%, 84.40% and 95.74% during the year ended March 31, 2008, year ended March 31, 2009 and three months ended June 30, 2009, respectively. For further historical operating data for our Tamnar I Project, please see ***"—Operation and Maintenance Business***" on page 90.

The successful development, implementation and operation of the Tamnar I Project has enabled us to create a pool of technical know-how as well as expertise in developing thermal power projects.

Fuel and Water Supply

The power project operates on coal which is sourced from the Gare Palma IV/2 and IV/3 captive coal mines which are located in close proximity to the power project and which have geological reserves of approximately 246 million tons, based on information provided by the Ministry of Coal. The Gare Palma IV/2 and IV/3 mines have been leased to us for 30 years by the GoC from the date of the lease agreement, dated October 7, 2005 and are operated by us. Coal is transported from the mines to the power project via an approximately 6.9 kilometers pipe conveyer belt built by us.

Water is supplied from Kurket river which is 25 kilometers from the power project. We built a pipeline and a 18 meter high dam to transport the water to, and store the water at, the power project. We have received an approval from the GoC to draw up to 54 million cubic metres, or mcm, per annum water from the river. For further details of our water supply agreement with the GoC, see "***Description of Certain Key Contracts***" on page 96.

Procurement

The Tamnar I Project was implemented by procuring equipment in various packages rather than through a turnkey EPC contract. Four sets of pulverised fired technology based boiler, turbine and generator ("BTG") packages were supplied by Bharat Heavy Electrical Limited ("BHEL") for this power project. We did not appoint an external EPC contractor in connection with this project. The EPC work was carried out internally by us.

Power Off-take Arrangements

We sell 150 MW of power generated at this power project to the Chhattisgarh State Power Distribution Company Limited, or CSPDCL, under a one-year PPA which may be further extended by mutual consent of the parties. Under this short-term PPA, the tariff is determined by the Chhattisgarh State Electricity Regulatory Commission, or CSERC. The current tariff is Rs.2.95 per unit at 80% load factor with effect from April 1, 2009.

We sell the balance of power generated at this power project through a mix of medium-term and short-term PPAs and power exchanges to JSPL, state-owned utilities and power distribution and trading companies.

Financing Arrangements

The total cost of the Tamnar I Project was Rs. 43,384.00 million. Our debt to equity ratio for this project was approximately 80:20. The debt component of the project cost was initially budgeted to be Rs. 34,707.00 million. However, the actual debt drawn for this project was Rs. 32,707.75 million as we were able to fund the balance amount through internal cash accruals. Due to robust cash flows from operations, we were able to pre-pay a portion of this debt in the amount of Rs. 10,910.75 million between April 1, 2009 and October 31, 2009.

Power Evacuation

The power generated at this power project is being evacuated via a 258 km 400 kV double circuit transmission line, which was constructed by us, to Power Grid Corporation of India Limited's, or PGCIL's, network in Raipur through which power can be sold anywhere in India. This transmission line is owned and maintained by us. In addition, a portion of power supplied to CSPDCL is being evacuated through a 220 kV double circuit transmission line built and owned by CSPDCL.

Projects under Implementation

1. 2,400 MW Power Project, Raigarh, Chhattisgarh ("Tamnar II Project")

Overview

We are developing a 4x600 MW coal-fired power project based on sub-critical technology at Tamnar in Raigarh District, Chhattisgarh, adjacent to our operational Tamnar I Project. We have entered into two MoUs with the GoC for the development of this power project. Under each of the MoUs, the GoC has agreed to provide all necessary assistance and cooperation to the Company for the successful implementation of the project including provision of coal linkage and allocation of captive coal block. For further details, see "***Description of Certain Key Contracts***" on page 96.

We require a total of 1,762 acres of land for this project and we have acquired title to approximately 330 acres of land as of November 30, 2009.

We expect the first unit of our Tamnar II Project to achieve commercial operation by December 2012 and the entire power plant to achieve commercial operation by December 2013. However, as per the contract agreement with BHEL effective December 27, 2008, for the supply of the main BTG plant package, the equipment shall be supplied so as to enable commissioning of unit I and II of the first phase of the project within 41 and 45 months of the effective date of the contract, and unit I and II of the second phase of the project within 49 and 53 months of the effective date of the contract. However, as per the information memorandums for debt financing for the first phase and the second phase, and the Tamnar II clarification letter, the implementation schedule has been assumed to be 47, 51, 55 and 59 months respectively for the units of the Tamnar II Project.

Fuel and Water Supply

The primary fuel supply for the Tamnar II Project will be coal. We have applied to the Ministry of Coal, Government of India ("GoI") for a long-term coal linkage in Raigarh, Chhattisgarh**.** The project cost estimate includes the construction of infrastructure to transport coal to the Tamnar II Project through a merry-go-round railway track.

We obtained approval from the Water Resources Department, GoC on February 26, 2009 to draw up to 70 mcm of water from the Mahanadi river. We believe this is sufficient to meet the water requirements of this project.

Approvals

The MoEF clearance for this project is in progress. We have received terms of reference for undertaking detailed environment impact assessment study (which is the first phase of approval) from the MoEF.

A draft environmental impact assessment and Environment Mitigation Programme report for this project were prepared by EMRTC Consultant Private Limited to assess the anticipated impact of the proposed project on the environment and to suggest suitable mitigation measures for any adverse impact due to the proposed project. On June 24, 2009, we made an application to the Chhattisgarh Environment Conservation Board ("CECB") for the holding of a public hearing in accordance with the rules prescribed in the EIA Notification dated September 14, 2006.

Procurement

We intend to implement this project by procuring equipment in various packages rather than through a turnkey EPC contract. We are following international competitive bidding for procuring equipment for this project and have invited bids for critical packages required for this project. We have awarded the BTG package for this project to BHEL and entered into two agreements, effective December 27, 2008, with BHEL for the supply of four sets of sub-critical BTG packages by BHEL and for the erection, testing, commissioning and transportation of the BTG packages by BHEL.

Development Consultants Private Limited is acting as the engineering and project management consultant for this project and has prepared a detailed project report covering location, project details and other information. We have also appointed ITD Cementation India Limited, Simplex Infrastructure Limited and JMC Projects (India) Ltd. for the execution of civil works, including the provision of labour, construction equipment and related materials required for the Tamnar II Project.

Power Off-take Arrangements

Under the MoUs with GoC, we are required to supply 5% of the net power generated by the project to the GoC, or its nominated agency at energy (variable) charges if the supply of coal to the power plant is through long term coal linkage. However, if we are allocated a captive coal block in the state of Chhattisgarh for the supply of coal to the project, we will be required to supply 7.5% of the net power generated by the project to the GoC, or its nominated agency at energy (variable) charges. In addition, the GoC, or its nominated agency, shall have a right of first refusal to purchase up to an additional 30% of the aggregate capacity of the generating units for a period of 20 years, at a rate to be approved by the appropriate electricity regulatory commission. For details, see "***Description of Certain Key Contracts***" on page 96. We intend to enter into a PPA with CSEB accordingly.

We have entered into a long-term PPA with JSPL for 1,100 MW, however, pursuant to this PPA JSPL has agreed to purchase any additional amount of power as may be mutually agreed. We expect to sell the remaining balance of power produced on a medium and short-term basis.

Financing Arrangements

The total estimated project cost is Rs. 134,100.38 million, comprising Rs. 71,100.38 million in relation to the first phase of 2x600 MW of the project and Rs. 63,000.00 million in relation to the second phase of 2x600 MW of the project. The estimated project cost for the first phase of this project assumes that we are granted 'mega-power' status from the Government of India for this project. 'Mega-power' projects are eligible to receive certain tax and other benefits. See "***Industry Overview – Mega Power Projects***" on page 56 of this Draft Red Herring Prospectus for more details on benefits available to a 'mega power' project. If we do not receive 'mega-power' status, the tax and duty component of the project cost for the first phase of this project is estimated to increase by Rs. 4,583.00 million. We expect to finance both phases of the project with a debt to equity ratio of approximately 75:25. As of November 30, 2009, we have spent Rs. 5,718.21 million on this project. For further details on the estimated cost, means of finance, including sanctions from lenders, and funds deployed for this project, please see "***Objects of the Issue***" on page 33.

Power Evacuation

The power generated from the Tamnar II Project is proposed to be evacuated through two double circuit 400 KV transmission lines of approximately 10 km each which will connect the plant to a pooling station proposed to be set up by PGCIL at Tamnar. The pooling station is intended to be used to deliver power to CSEB, JSPL and other purchasers of power. These transmission lines also include the installation of step-up transformers required at the pooling point to upgrade our power from 400 KV to 765 KV.

2. 1,320 MW Power Project, Jharkhand ("Dumka Project")

Overview

We are developing a 2 x 660 MW power plant based on super-critical technology at Dumka, Jharkhand. The Dumka Project was being developed previously by JSPL as a CPP for the supply of power to JSPL's steel plant expansion in Jharkhand. However, pursuant to an assignment agreement dated November 30, 2009, JSPL agreed to assign the Dumka Project to us. Subject to receipt of all applicable regulatory approvals including the approval of the GoJ, the Dumka Project will be developed by us. For further details regarding the assignment agreement and applicable regulatory approvals, see "***Description of Certain Key Contracts***" and "***Government and Other Approvals***" on pages 96 and 245, respectively.

JSPL entered into a MoU dated November 8, 2007 with the Government of Jharkhand, or the GoJ, for the construction of a 3 x 500 MW CPP. Under the MoU, the GoJ agreed to provide all necessary assistance and cooperation to JSPL for the successful implementation of the project, including assistance in procuring land for the steel and the power plant, facilitating permission for optimal drawal of water from the Dwarka and the Brahmani rivers, facilitating the development of infrastructure and recommending to the Government of India that coal blocks be allocated to JSPL for the project, and to grant prospecting licenses and captive mining leases for mines. On November 19, 2009, JSPL applied to the GoJ for approval of the assignment of this project by JSPL to us. Operation and maintenance of this power plant will be handled internally by us.

The total land requirement for the Dumka Project is estimated at approximately 900 acres. We are in the process of acquiring the land required for this power project through GoJ. JSPL has applied for the acquisition of the land in its name, however we expect that the final award of land will be made in our name pursuant to the Assignment.

We expect the first unit of the Dumka Project to achieve commercial operation by January 2014 and the entire power plant to achieve full commercial operation by May 2014**.**

Fuel and Water Supply

On January 17, 2008, the Ministry of Coal allocated to JSPL, 205 million tons of geological reserves in the Amarakonda – Murgadangal coal block in the command area of Central Coalfields Limited ("CCL"). As per the terms of the allocation letter JSPL and Gagan Infraenergy formed a joint venture, Shrestha Mining and Metals Private Limited ("SMMPL") for mining the 205 million tons of coal allocated to JSPL. We have entered into a 25 year long-term coal supply agreement with SMMPL for the supply of coal for this power project, subject to the approval of the Ministry of Coal**.** The price of the coal to be supplied under this agreement shall be the sum of mining costs, transportation charges, loading charges, statutory charges, levies and other charges. We also plan to transport coal from the Amarakonda – Murgadangal coal block via an automatic over-the-ground pipe conveyor system of 15 kilometers.

We intend to source the requirements of water for the project from the Dwarka and Brahmani rivers by means of raw water pipelines. On November 21, 2008, JSPL received approval for 1,000 MW from the GoJ to draw up to 36 mcm of water (20.84 mcm from the Dwarka river and 15.16 mcm from the Brahmani river). We believe that this will satisfy the water requirements for this project. As part of the Assignment, we intend to have these water approvals assigned to our name**.**

Approvals

We are in the process of appointing consultants for providing engineering consultancy services for this project. On November 10, 2009, JSPL applied to the MoEF for the Terms of Reference (which is the first phase of approval) for this project and such approval is pending. We intend to have this approval transferred to our name pursuant to the Assignment**.**

Procurement

We are evaluating alternatives for implementing the project on an EPC basis or through multiple packages. We have invited bids from various EPC and BTG contractors and we will select the EPC or BTG contractor for this power project on an international competitive bidding basis.

Power Off-take Arrangements

As this power project is a CPP for JSPL, we are required to sell at least 51% of the power generated by this power project to JSPL. We have entered into a long-term PPA with JSPL for a period of 25 years. Under the terms of this PPA, JSPL will purchase up to 675 MW of power generated at a fixed tariff of Rs. 2.80 per kWh until fiscal 2019 and at the rate of Rs. 2.50 per kWh thereafter.

Under the terms of our MOU with the GoJ, the GoJ has undertaken, if required by the Company, to facilitate the signing of a PPA for the sale of excess power to an agency of the state government. We intend to sell the balance of power generated at this power project on a medium and short-term basis.

Financing Arrangements

The estimated project cost is Rs. 72,240.00 million, which is proposed to be financed with equity of Rs. 21,672.00 million and debt of Rs. 50,568.00 million. We expect to finance the project with a debt to equity ratio of approximately 70:30. For further details on the estimated cost and funds deployed for the project, please see "***Objects of the Issue***" on page 33.

Power Evacuation

Power will be evacuated through a 400 KV quad moose double circuit transmission line of approximately 100 km length to PGCIL's Maithan sub-station. Power will be supplied to JSPL's steel plant to be set up at Patratu by taking open access from the State Transmission Utility, or STU and to other utilities by taking open access from STU or the Central Transmission Utility.

3. 660 MW Power Project, Godda, Jharkhand ("Godda Project")

We are developing a 660 MW coal-fired power plant based on super-critical technology at Godda, Jharkhand. The Godda Project was being developed previously by JSPL as a CPP for the supply of power to JSPL's steel plant expansion in Jharkhand. However, pursuant to an assignment agreement dated November 30, 2009, JSPL agreed to assign the Godda Project to us. Subject to receipt of all applicable regulatory approvals including the approval of the GoJ, the Godda Project will be developed by us. For further details regarding the assignment agreement and applicable regulatory approvals, see "***Description of Certain Key Contracts***" and "***Government and Other Approvals***" on pages 96 and 245, respectively.

JSPL entered into a MoU dated July 5, 2005 with the GoJ for the construction of a 1,000 MW CPP. Under the MoU, the GoJ agreed to provide all necessary assistance and cooperation to JSPL for the successful implementation of the project, including assistance in procuring land for the project, the power plant, facilitating permission for optimal drawal of water, facilitating the development of infrastructure and recommending to the Government of India that coal blocks be allocated to us. On November 19, 2009, JSPL applied to the GoJ for approval of the assignment of this project by JSPL to us. Operation and maintenance of this power plant will be handled internally by us.

We are in the process of acquiring approximately 500 acres of the land required for this power project through the GoJ. JSPL has applied for the acquisition of the land in its name, however we expect that the final award of land will be made in our name pursuant to the Assignment.

We expect to achieve full commercial operation of the project by January 2014.

Fuel and Water Supply

On February 20, 2007, the Ministry of Coal, GoI allocated to JSPL the Jitpur coal block in Godda, Jharhand which has 81 million tons of geological reserve, based on information provided by the Ministry of Coal. We have entered into a 25 year long-term coal supply agreement with JSPL for the supply of coal for this power project, subject to the approval of the Ministry of Coal. The price of the coal to be supplied under this agreement shall be the sum of mining costs, transportation charges, loading charges, statutory charges, levies and other charges. We plan to transport coal from the Jitpur coal block via an automatic over-the-ground pipe conveyor system of 3 kilometers.

On July 10, 2009, JSPL applied to the Department of Water Resources to draw up to 25 mcm of water and such approval is pending and as part of the Assignment, we intend to have the approval transferred to us.

Approvals

We are in the process of appointing consultants for providing engineering consultancy services for this project.

Procurement

We are evaluating alternatives for implementing the project on an EPC basis or through multiple packages. We have invited bids from various EPC and BTG contractors and we will select the EPC or BTG contractor for this power project on an international competitive bidding basis.

Power Off-take Arrangements

As this power project is a CPP for JSPL, we are required to sell at least 51% of the power generated by this power project to JSPL. We have entered into a long-term PPA with JSPL for a period of 25 years. Under the terms of this PPA, JSPL will purchase 350 MW of power generated at a fixed tariff of Rs. 2.80 per kWh until fiscal 2019 and at the rate of Rs. 2.50 per kWh thereafter.

Under the terms of our MOU with the GoJ, the GoJ has undertaken, if required by the Company, to facilitate the signing of a PPA for the sale of excess power to an agency of the state government. We intend to sell the balance of power generated at this power project on a medium and short-term basis.

Financing Arrangements

The estimated project cost is Rs. 36,660.00 million which we expect will be financed with equity of Rs. 10,998.00 million and debt of Rs. 25,662.00 million. We expect to finance the project with a debt to equity ratio of approximately 70:30. For further details on the estimated cost and funds deployed for this project, please see "***Objects of the Issue***" on page 33.

Power Evacuation

Power will be evacuated through a 400 KV quad moose double circuit transmission line of approximately 130 km length to PGCIL's Maithan sub-station. Power will be supplied to JSPL's steel plant proposed to be located at East Singhbhum, Jharkhand by taking open access from STU, and to other utilities by taking open access from STU or the Central Transmission Utility.

4. 4,000 MW Hydroelectric Power Project, Etalin, Arunachal Pradesh ("Etalin Project")

We are developing a 4,000 MW, run-of-the-river, hydroelectric power project at Etalin in Arunachal Pradesh through our subsidiary, Etalin Hydro Electric Power Company Limited. On December 8, 2008, we entered into a joint venture agreement with HPDCAPL for the development of this project**.** Under the terms of the joint venture agreement, we hold 74% and HPDCAPL holds 26% of the shareholding in the joint venture company. We believe that this project will be the largest hydroelectric project in India based on the CEA's "Hydro Development Plan for 12th five year plan (2012-2017)", September 2008. This project is designed to harness the waterflow of Tangon River, a tributary of Dibang River, and the Dibang River to generate 1,500 MW (6x250 MW) from the Tangon River unit and 2,500 MW (10x250 MW) from the Dibang River unit, respectively. The estimated annual energy production of this power project, on a 90% dependable year basis is expected to be 16,071.6 MU.

We have mandated SNC Lavlin as engineering consultant, for the preparation of a detailed project report for this project covering location, geological aspects, project details, and other information. We have also mandated R.S. Envirolink Technologies Pvt. Ltd. to carry out an environmental impact assessment study and an environmental management plan study for this project. We expect to commence commercial operation of this project by 2020.

We intend to acquire land for the construction of the project after completion of the detailed project report.

Approvals

We received the Terms of Reference (which is the first phase of approval) from the MoEF on November 30, 2009 for this project.

Power Off-take Arrangements

We intend to sell power through a mix of short-term, medium-term and long-term PPAs to state-owned utilities and power distribution and trading companies.

The joint venture company is required to provide free of charge power equal to 12% of the power generated at this power project to the Government of Arunachal Pradesh. The joint venture agreement provides that power free of charge equal to an additional 1% of power generated by the project is to be utilized for local area development and the State of Arunachal Pradesh has a right of first refusal to purchase up to an additional 5% of power generated by this project, if required by the State of Arunachal Pradesh, at mutually agreed tariffs. In the event the Government of Arunachal Pradesh does not utilize the agreed quantum of power, the joint venture company may sell the power to any other party. The balance of the power generated is eligible for sale. See "***Description of Certain Key Contracts***" on page 96.

Financing Arrangements

The estimated project cost is Rs. 218,200 million. This cost includes an upfront fee (including a processing fee) to GoAP of Rs. 2,400 million which we have already paid. We expect to finance the project with a debt to equity ratio of approximately 70:30.

Power Evacuation

Under the terms of the MoU, we are required to set up a transmission system for the evacuation of power. It is proposed that the power will be evacuated by one 400 kV double circuit quad moose transmission line connecting our power project to a planned pooling station ultimately connected to the national grid.

5. 500 MW Hydroelectric Power Project, Attunli, Arunachal Pradesh ("Attunli Project")

We are developing a 500 MW, run-of-the-river, hydroelectric power project at Attunli in Arunachal Pradesh through our subsidiary, Attunli Hydro Electric Power Company Limited. On December 8, 2008, we entered into a joint venture agreement with HPDCAPL for the development of this project**.** Under the terms of the joint venture agreement, we hold 74% and HPDCAPL holds 26% of the shareholding in the joint venture company. This project is designed to harness the waterflow of the Tangon River to generate 500 MW (4 x 125 MW) of power. The estimated annual energy production of this power project, on a 90% dependable year basis, is expected to be 2,247.32 MU.

We have mandated SNC Lavlin as engineering consultant, for the preparation of a detailed project report for this project covering location, project details, and other information. We have also mandated R.S. Envirolink Technologies Pvt. Ltd. to carry out an environmental impact assessment study and an environmental management plan study for this project. We expect to commence commercial operation of this project by 2020.

We intend to acquire land for the construction of the project after completion of the detailed project report.

Approvals

We received the Terms of Reference (which is the first phase of approval) from the MoEF on November 30, 2009 for this project.

Power Off-take Arrangements

We intend to sell power through a mix of short-term, medium-term and long-term PPAs to state-owned utilities and power distribution and trading companies.

The joint venture company is required to provide free of charge power equal to 12% of the power generated at this power project to the Government of Arunachal Pradesh. The joint venture agreement provides that power free of charge equal to an additional 1% of power generated by the project is to be utilized for local area development and the State of Arunachal Pradesh has a right of first refusal to purchase up to an additional 5% of power generated by this project, if required by the State of Arunachal Pradesh, at mutually agreed tariffs. In the event the Government of Arunachal Pradesh does not utilize the agreed quantum of power, the joint venture company may sell the power to any other party. The balance of the power generated is eligible for sale. See "***Description of Certain Key Contracts***" on page 96.

Financing Arrangements

The estimated project cost is Rs. 41,720.00 million. This cost includes an upfront fee (including a processing fee) to GoAP of Rs. 125.00 million, which we have already paid. We are currently exploring financing options. We expect to finance the project with a debt to equity ratio of approximately 70:30.

Power Evacuation

Our evacuation system for this project is currently in the planning stage. Under the terms of the MoU, we are required to set up a transmission system for the evacuation of power. It is proposed that the power will be evacuated by one 400 kV double circuit quad moose transmission line connecting our power project to a pooling station ultimately connected to the national grid.

6. 1,600 MW Subansiri Middle Hydroelectric power project, Arunachal Pradesh ("Subansiri Middle Project")

We are developing a 1,600 MW Subansiri Middle, run-of-the-river, hydroelectric power project with a provision of flood moderation on Kamla River, a tributary of Subansiri River in Arunachal Pradesh through a joint venture company that we plan to incorporate. On August 29, 2009 we entered into a joint venture agreement with HPDCAPL for the development of this project. Under the terms of the joint venture agreement, we will hold 74% and HPDCAPL will hold 26% of the shareholding in the joint venture company. We are considering building a higher dam in order to address the problems that occur as a result of flooding in the area.

We have not mandated an engineering consultant for the preparation of a detailed project report for this project covering location, project details, and other information. We are in the process of acquiring a detailed project report for this project. We expect to commence commercial operation of this project by 2018. We intend to acquire land for the construction of the project after completion of the detailed project report.

Approvals

We intend to apply for MoEF clearance after receipt and review of the detailed project report.

Power Off-take Arrangements

We intend to sell power through a mix of short-term, medium-term and long-term PPAs to state-owned utilities and power distribution and trading companies.

We are required to provide free of charge power equal to 12% of the power generated at this power project to the Government of Arunachal Pradesh. The joint venture agreement provides that power free of charge equal to an additional 1% of power generated by the project is to be utilized for local area development and the State of Arunachal Pradesh has a right of first refusal to purchase up to an

additional 5% of power generated by this project at mutually agreed tariffs. The balance of the power generated is eligible for sale to third parties. See "***Description of Certain Key Contracts***" on page 96.

Financing Arrangements

The estimated project cost is Rs. 112,030 million. This cost includes an upfront fee (including a processing fee) to GoAP of Rs. 800.0 million, which we have already paid. This cost includes the cost of constructing power evacuation arrangements up to the nearest pooling point. We are currently exploring financing options. We expect to finance the project with a debt to equity ratio of approximate 70:30.

Power Evacuation

Under the terms of the joint venture agreement, we are required to set up a transmission line to the nearest pooling station for the evacuation of power. PGCIL is in the process of constructing a pooling station near Subansiri Lower that is approximately 250 km away from this project.

Projects under Planning

1. 2,640 MW Power Project, Jharkhand ("2,640 MW Jharkhand Project")

On June 3, 2008, we entered into an MoU with the GoJ for the establishment of a 2,640 MW (4x660) power plant in the State of Jharkhand in two phases with a proposed investment of Rs. 118,800 million. Under the MoU, the first unit is to be commissioned 42 months after financial closure.

Pursuant to the MoU, the GoJ is required to extend all reasonable help and co-operation to construct, commission and operate the project in accordance with applicable laws, rules and policies including assisting in acquiring land, recommending to the GoI for allocation of suitable coal blocks for captive coal mining, permitting drawal of water, connectivity to the PGCIL grid, infrastructure development, and obtaining necessary clearances.

The MoU provides that GoJ or distribution licensees authorised by it will have a first right of claim on the purchase of up to 25% of power delivered to the system by the proposed power plant under the terms of the PPA to be mutually agreed on the basis of existing laws and regulations in force and tariff will be determined by the appropriate regulatory commission. We, however, have the right to sell the balance power outside the State of Jharkhand. Further, if GoJ or its designated licensee is unable to honor the PPA, we will have the right to sell the entire power outside the State of Jharkhand. In addition, we can also supply power directly to bulk customers in Jharkhand at mutually agreed tariffs. The MoU is valid for a period of three years from June 3, 2008. It may be further extended on mutual agreement. In addition to the 25% of power we have agreed to sell to GoJ from our 2,640 MW Jharkhand Project, the GoJ has recently initiated a policy to the GoI, which, if approved, may require us to sell an additional 12% of the power produced to the GoJ, at variable cost, which may lead to lower generation tariffs.

This project is currently at the planning stage.

2. 1,320 MW Power Project, Odisha ("Angul Project")

Overview

On February 7, 2009, JSPL entered into an MoU with the Government of Odisha, or the GoO, for the establishment of a 1,320 MW thermal power plant in the State of Odisha with a proposed investment of Rs. 59,400.00 million. Under the MoU, the Angul Project is to be commissioned 48 months from the date of the MoU. The Angul Project was being developed previously by JSPL. On November 18, 2009, we applied to the GoO through IPICOL for approval of the transfer of the MoU to us. On November 30, 2009 we and JSPL executed an assignment agreement to assign the MoU to our Company subject to the approval of GoO. Subject to receipt of all applicable regulatory approvals, the Angul Project will be developed by us. For further details regarding the assignment agreement and

applicable regulatory approvals, see "***Description of Certain Key Contracts***" and "***Government and Other Approvals***" on pages 96 and 245, respectively.

Pursuant to the MoU, the GoO is required to extend all reasonable help and co-operation to construct, commission and operate the project in accordance with applicable laws, rules and policies including assisting in acquiring land, recommending to the GoI for allocation of suitable coal blocks for captive coal mining, permitting drawal of water, connectivity to any transmission utility for evacuation of power, infrastructure development, and obtaining necessary clearances.

The MoU provides that GoO will have a first right of claim on the purchase of power delivered to the system by the proposed power plant at variable cost and that a nominated agency authorized by the GoO will have the right to purchase 14% of power delivered to the system by the proposed power plant if coal blocks are allocated to the power project within the state of Odisha, otherwise 12% of power delivered to the system by the proposed power plant under the terms of the PPA to be mutually agreed on the basis of existing laws and regulations in force and tariff will be determined by the Orissa Electricity Regulatory Commission ("OERC"). JSPL, however, has the right to sell the balance power outside the State of Odisha. Further, if GoI or its nominated agency is unable to honor the PPA, we will have the right to sell the entire power outside the State of Odisha. In addition, under the MoU, JSPL is required to fulfill certain ratios of minimum employment levels in the state of Odisha. The MoU is valid for a period of three years from February 7, 2009. It may be further extended on mutual agreement.

This project is currently at the planning stage.

3. 220 MW hydroelectric power project located in Chainpur Seti, Nepal

We have recently been granted a survey license from the Ministry of Energy, Nepal to survey the feasibility of setting up a 220 MW hydroelectric power plant in Chainpur Seti, Nepal. This license is valid until May 14, 2011. During this time, we are required to prepare a detailed project report for this project. The license also requires us to complete a topographical map of the project area, undertake a geo-technical investigation and hydrological studies, and facilitate the preparation of the environmental impact assessment before we can apply for a generation of electricity license and begin construction of the project. In December, 2009, we appointed SMEC India Pvt. Ltd. and Nepal Environment and Scientific Services Pvt. Ltd. as consultants for providing optimization studies and consultancy services for this project.

This project is currently at the planning stage.

II. Operation and Maintenance Business

Our success depends on our ability to achieve operational efficiencies and high availability at our generation facilities and we place a high level of importance on maximizing the operational performance of our generation assets. We operate and maintain our Tamnar I Project internally. We intend to operate and maintain all of our future power projects. We have previously operated and managed JSPL's power plant. The following table describes the historical operating data for our Tamnar I Project:

Operating Data	2007-08	2008-09*	2009-10 (April – June)
Installed capacity (MW)*	250 MW	1,000 MW	1,000 MW
Gross units generated (MU)*	532.83	6,152.49	2,091.07
Auxiliary consumption (%)	12.20%	8.85%	8.93%
Availability factor (%)	81.58%	92.80%	96.13%
Plant Load Factor (%)	77.22%	84.40%	95.74%
Heat Rate (Kcal/ kWh)	2,365.85	2,344.55	2,320.22

* *The first 250 MW unit achieved commercial operation on December 8, 2007. The remaining three 250 MW units achieved commercial operation on April 16, 2008, June 15, 2008 and September 5, 2008, respectively.*

III. Power Trading Business

Our subsidiary, CETC, has been engaged in power trading activities since September 2008. The Central Electricity Regulatory Commission, or "CERC", has granted us a "Category II" license to trade power in India. CETC is a member of Power Exchange India Limited, or PXIL. CETC does not currently engage in third party trading but may source power from third parties in the future, and the proportion of power we sell through CETC may increase as our generation capacity increases. The trading margin allowed by CERC regulation is currently capped at Rs. 0.04 per kWh.

We are a member of India Energy Exchange, or IEX. We have also invested in IEX, which is promoted by Financial Technologies (India) Limited, on the basis that our investment does not exceed 5% of it's paid up capital from time to time. We believe that given our planned expansion of power generation capacity, our investment in IEX would provide a platform for us to contribute to the development of exchange traded power in India.

IV. Other Opportunities

Non - conventional energy sources. We are evaluating options with respect to setting up a wind power facility including discussions with suppliers of wind power plants. We have also applied to the regulatory entities in Rajasthan for power capacity allocations for a 500 MW solar power project and are also exploring technology options and suppliers. We are examining the feasibility of solar power generation and nuclear power generation. We are actively looking for opportunities to acquire, develop and operate power plants outside India.

Distribution: As part of our strategy to become an integrated power company with presence across the value chain, we are considering entering into the power distribution business. In August 2008, we incorporated our subsidiary, Jindal Power Distribution Limited ("JPDL"). JPDL is authorized to engage in, among others, the business of distribution of conventional and non-conventional energy.

Transmission: As part of our strategy to become an integrated power company with presence across the value chain, we are considering entering into the transmission business. In June 2008, we incorporated our subsidiary, Jindal Power Transmission Limited ("JPTL"). JPTL is authorized to engage in, among others, the business of transmission of conventional and non-conventional energy.

V. Arrangements with JSPL

Being a subsidiary of JSPL, we believe that we achieve group synergies, including access to talent, securing financing on competitive terms, administrative services, and sourcing critical equipment and supplies.

We currently have the following key agreements with JSPL, which include but are not limited to:

- the purchase of power by JSPL from the Tamnar I Project;
- the purchase of power by JSPL from the Tamnar II Project;
- the assignment agreement with JSPL in respect of the Dumka Project;
- the supply of coal by SMMPL, a joint venture between JSPL and Gagan Infraenergy, in respect of the Dumka Project;
- the purchase of power by JSPL from the Dumka Project;
- the assignment agreement with JSPL in respect of the Godda Project;
- the supply of coal by JSPL in respect of the Godda Project;
- the purchase of power by JSPL from the Godda Project; and

- the assignment agreement with JSPL in respect of the Angul Project.

For details regarding these contracts and applicable regulatory approvals, see "***Description of Certain Key Contracts***" and "***Government and Other Approvals***" on pages 96 and 245.

The arrangements are arms-length transactions that allow us to capitalize on the synergies, resources and services of JSPL.

For details regarding our related party transactions, see "***Financial Statements — Related Party Transactions***" beginning on page F47.

VI. Personnel

As of June 30, 2009, we had 596 permanent employees and 18 personnel on retainers. Of these 596 permanent employees, 497 are professionals. Our professional staff members have a wide range of industry experience. Our workforce has grown from 364 permanent employees as of March 31, 2008 to 596 permanent employees as of June 30, 2009.

The breakup of our workforce as of June 30, 2009 and at the end of each of the previous three fiscal years by expertise and by managerial position are as follows:

	Number of Permanent Employees as of			
	June 30, 2009	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**
Technical Staff	438	370	247	182
Non Technical Staff	59	57	44	30
Support Staff	99	92	73	73
TOTAL	**596**	**519**	**364**	**285**

	Number of Permanent Employees as of			
	June 30, 2009	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**
Senior Management	22	19	3	4
Middle Management	74	75	60	26
Junior Management	389	327	226	182
Other Staff	111	98	75	73
TOTAL	**596**	**519**	**364**	**285**

In addition to compensation that includes both salary and allowances, we provide our employees other benefits which include medical reimbursements, yearly leave and retirement benefits. To ensure that we provide compensation and benefits which are in line with best industry practices and individual performance, we have engaged Hewitt Associates (India) Private Limited to assess our current compensation and benefits package.

Our success depends upon our ability to recruit, train and retain high quality professionals. We conduct on-campus recruiting at the top engineering institutes in India, such as IIT Roorkee, IIT Kanpur, IIT Chennai, IIT Kharagpur. We believe that the support of the JSPL and our focus on performance, quality, training and growth will give us advantages in attracting and retaining highly skilled employees.

Jindal Education and Welfare Society, an entity associated with JSPL, established the Jindal Institute of Power Technology with the object of training engineers in the operation and maintenance of thermal power projects.

VII. Insurance

We have insurance for all our projects during the construction phase, including third party insurance for our projects in respect of the risks associated with our assets and infrastructure that are ancillary to our projects during the construction phase. We also have insurance for our projects during the pre-commissioning phase. For example, we have a marine cargo open policy for our Tamnar II Project with the Oriental Insurance Company Limited. At the time of funding for our projects, we expect that our

financing arrangements will require us to maintain a certain level of insurance coverage. We also take insurance policies during the operational phase. We have an industrial all risks insurance policy for our Tamnar I Project with the Oriental Insurance Company Limited, which includes insurance coverage for fire, machinery breakdown, boiler explosion, electronic equipment insurance and transit risk within the compound and loss of profits caused by fire. The key details of our key insurance policies are provided in the following table:

S. No.	Name of the Insurance Company	Type of Insurance	Sum Assured (Amount in Rs. million)	Validity Period
1.	The Oriental Insurance Company Limited	Industrial All Risks Insurance Policy for the 1,000 MW (4x250MW) thermal power plant	For Material Damage: Rs. 36,158.40 million For Business Interruption: Rs. 35,000 million	April 15, 2009 until April 14, 2010
2.	The Oriental Insurance Company Limited	Liability Insurance (Under Public Liability Insurance Act, 1991)	Any one accident limit: Rs. 0.05 million Any one year limit: Rs. 1.50 million	April 21, 2009 until April 20, 2010
3.	The Oriental Insurance Company Limited	Money Insurance	Rs. 43.70 million	May 14, 2009 until May 13, 2010
4.	The Oriental Insurance Company Limited	Standard Fire and Special Perils Insurance	Rs. 5.92 million	November 25, 2009 until November 24, 2010
5.	The Oriental Insurance Company Limited	Marine cargo open policy	Rs. 600 million	November 20, 2009 until November 19, 2010

VIII. Environmental

We are committed to protection of the environment and the promotion of responsible corporate policies that conserve and optimally utilize resources and at the same time, sustain our economic growth. We intend to focus on developing environmentally friendly projects

Prior to the commencement of any project, we undertake environmental and social impact studies to determine the effect of the construction and operation of the project at the selected site. Generally, the major pollutants likely to affect the environment at the projects currently under implementation include carbon dioxide, sulphur dioxide, nitrogen oxide emissions, thermal pollution, liquid effluents and noise generated during project operations. We are committed to complying with all statutory requirements, environmental regulations and quality standards as per the guidelines published by the MoEF and Government of India from time to time. We equip our power projects with devices for the control of pollutants to levels within required norms. We also treat the effluent water generated to be used within the plant boundaries for watering plantation, gardening, and for various non-critical applications such as dust suppression systems. Fly ash produced during power generation is supplied to cement manufacturing units and brick making units.

IX. Competition

Due to the significant demand supply mismatch and low per capita consumption of power in India, we believe that the power business has the ability to absorb all entrants into the power industry. We believe that more companies entering the power generation industry will help reduce the power deficit in India.

Increased number of players may result in competitive bidding for power procurement and may cause downward pressure on short-term tariffs. It may also impact our ability to acquire coal blocks for our power projects under implementation and planning.

Examples of other power companies operating in India are Tata Power Company Limited, Reliance Power Limited, Torrent Power Limited, NTPC Limited, Adani Power Limited, KSK Energy Ventures Limited and India Bulls Power Limited, amongst others. See the section titled "***Industry Overview***" on page 56.

X. Safety and Risk Management

We implement work safety measures and standards to ensure healthy and safe working conditions, equipment and systems of work for all the employees, contractors, visitors and customers at our power projects. We intend to reduce waste and other harmful pollutants by careful use of materials, energy and other resources by maximizing recycling opportunities.

Each of our power projects is expected to have its own work safety management department which ensures compliance with applicable safety measures and standards. We have established procedures within the Company to oversee work safety and also to determine safety measures and standards across all our projects in accordance with the relevant safety laws and regulations in India. We oversee the implementation and compliance of these safety measures and standards. Starting at the design and engineering stage of our power projects, we adopt fail-safe technology for all our equipment, electrical machines and electronic control systems as per international standards of industrial safety. We endeavour for all of our power projects to have integral safety systems and emergency shutdown systems for smooth and safe stoppage of the power projects in abnormal conditions. We intend to have available 24-hour, experienced fire fighting crews equipped with firefighting equipment, fire tenders and ambulances for all of our projects once they commence operations.

XI. Intellectual Property

We do not own the "JINDAL" trademark and logo, which is owned by JSPL. However, pursuant to a trademark license agreement dated December 23, 2009, JSPL granted a right to use this logo to us. We are not required to make, any payments to JSPL for the use of the "JINDAL" trademark pursuant to this trademark license agreement. We have applied for the registration of our new trademark and logo "JPL" on December 23, 2009 and such registration is pending.

XII. Property

We lease or have a right to use certain properties for corporate operations. The brief details of such properties are set out below:

Description	Leased/licensed
2nd floor, DCM Building, Plot No 94, Sector 32, Gurgaon 122 001	Sub-lease for a period of 18 months from November 1, 2009
Jindal Centre, 12 Bhikaji Cama Place, New Delhi 110 066	License for a period of 60 months from November 1, 2009

XIII. Corporate and Social Responsibility

As part of our corporate and social responsibility philosophy, we believe that overall sustainable community development is essential for the growth of the power industry. Our OP Jindal Samaj Kalyan Samiti group works with underprivileged communities to develop resources in the region, support local professional development and enhance the quality of life in adopted villages through education, healthcare and civic amenities. In 2005, OP Jindal Samaj Kalyan Samiti adopted six villages in Tamnar, and a further 32 villages were subsequently adopted and included in different welfare programmes focused on the development of education, building, health and family welfare, animal husbandry, infrastructure development, the empowerment of women and income generation. We have also focused on providing proper healthcare to villagers and eradicating diseases such as malaria and filarial. In addition, we have organized various mobile medical camps, family planning camps and AIDS awareness camps in these villages.

We have also undertaken various initiatives in the education industry, including the establishment of Anganwadi Centres and the OP Jindal Merit Scholarship, the distribution of furniture to different schools, the establishment of the Navjyoti Programme, Adult Education Centers and the Dattak Putri Programme. We also founded the OP Jindal Thermal Power School in 2006.

The Jindal Institute of Power Technology, or JIPT, was established by Jindal Education and Welfare Society, an entity associated with JSPL to contribute towards creating a national pool of trained workforce on power generation and management. The institute's objective is to develop competent and skilled manpower of world standards by imparting technical and vocational training skills in appropriate occupations. JIPT conducts specialized need-based training programmes as well as power specific graduate and post graduate programmes, involving research, renovation, refurbishment and modernisation of power plant processes and equipment.

We are committed to developing extensive green belts in and around our plant areas. These endeavors have been carried out in coordination with the local forest departments. We also install efficient air pollution control devices, use recycled wastewater, have wet and dry ash collection systems for fly ash management and carry out environmental awareness campaigns.

DESCRIPTION OF CERTAIN KEY CONTRACTS

I. OPERATIONAL PROJECT

A. Tamnar I Project

Memorandum of Understanding between our Company, the Government of Chhattisgarh and the Chhattisgarh State Electricity Board

Our Company entered into a MoU dated May 21, 2001 with the Government of Chhattisgarh and Chhattisgarh State Electricity Board ("**CSEB**") for setting up a 1,000 MW coal based thermal power plant at Raigarh, Chhattisgarh. Pursuant to the terms of the MoU, CSEB agreed to provide all possible help, incentives as applicable and facilitate clearances necessary for setting up the aforesaid project including facilitating acquisition of private land and transfer of government land. Furthermore, our Company agreed to supply power generated by the project to CSEB under the power purchase agreement to be entered into by the parties at such tariffs in accordance with the prevailing guidelines and policies of the state and central governments.

Mining lease between our Company and the State Government of Chhattisgarh

Our Company entered into a mining lease dated October 7, 2005 with the State Government of Chhattisgarh, represented by the Governor of Chhattisgarh/President of India and a supplementary lease deed dated January 18, 2006, for the lease for mining coal over an area of 964.65 hectares of Gare IV/2 and IV/3 coal mining block at villages Dongamouha, Dhaurabhata, Kondkel, Kosampali, Libra, Sarasmal, Tehli Rampur, Lambarha in Tehsil Gharghoda, Distt. Raigarh, Chhattisgarh, pursuant to the approval of the Central Government through MoC's letter dated October 12, 2004. The lease is for a period of 30 years from October 7, 2005, unless terminated earlier pursuant to the terms of the lease, for mining coal for generation of power for our Company's power plant.

Pursuant to the terms of the lease, our Company will have the liberty and power to, among other things, enter upon the land and mine, convert, carry away and dispose of the coal, to bring machinery and equipment, to make tramways, railways, roads etc. and use the existing facilities, to use water from streams (subject to the right of existing and future lessees and written permission of the Deputy Commissioner/Collector). Under the terms of the lease, certain restrictions and conditions are imposed on our Company prohibiting, inter alia, construction of buildings in certain places, entry and felling of trees in reserved forests (without the previous sanction of the district forest officer), conducting mining operations within 50 metres of public works (except with previous sanction). In addition, our Company shall allow existing and future holders of government licenses and leases over any land which is comprised in or adjoins or is reached by the land held by our Company, reasonable means of access and safe and convenient passage thereto. The lease also provides for privileges reserved for the state government including to search for and carry away minerals other than coal and to make railways, tramways, roadways or pipelines for a purpose other than that stipulated in the lease.

Our Company is required to pay to the state government an annual dead rent as specified in the third schedule to the Mines and Minerals (Regulation and Development) Act, 1957 (the "**Mines and Minerals Act**") or royalty as specified in the second schedule to the Mines and Minerals Act (in the event our Company becomes liable under section 9 of the Mines and Minerals Act), whichever is higher. In addition, our Company is required to pay rent and water rate at the rate of Rs. 2 and Rs. 5, respectively, per annum, per hectare of the area so occupied or used. The rents and royalties to be paid by our Company to the government shall be free of all deductions and any outstanding amount may be recovered with an interest at a rate of 24% per annum. The terms of the lease require that our Company commence operations within one year from October 7, 2005. Our Company is also required to indemnify the state government against all damage, injury or disturbance and connected costs and expenses and pay compensation to third parties for any damage, injury or disturbance. Further, our Company is required to report the discovery of any other mineral within 60 days of such discovery with full particulars of the nature and position of each such find. The lease may be terminated by our Company by serving not less than 12 months' written notice to the state government. However, the state government shall have the right to determine the lease on account of default in payment of rents or royalties or breach of the conditions of the lease if the same is not rectified within 60 days of receipt of notice in that regard. The lease may, however, be renewed in terms of the provisions of the Mines and Minerals Act and rules made thereunder. Under the terms of the lease, the state government shall during the term of the lease have a right of pre-emption and on exercise of such right compensate our Company by way of payment of the prevailing fair market price.

Pursuant to the terms of the lease, our Company shall not be entitled to any compensation for loss sustained by it in the exercise the powers and privileges conferred on it by the lease on account of the revision or cancellation of orders of the state government by the Central Government in pursuance of the proceedings under Chapter VII of the Mineral Concession Rules, 1960.

Agreement for supply of water to industries/power plants between our Company and the government of Chhattisgarh

Our Company entered into a water supply agreement with the Governor of Chhattisgarh, acting through the executive engineer, Water Resources Department, Raigarh on January 14, 2008 for drawal of 54.0 million cum. of water per annum from Kurket Dam across river Kurket for use in its 1,000 MW thermal power plant located at Tamnar, Raigarh, Chhattisgarh. The term of the agreement is for a period of 30 years from January 14, 2008, which may be further extended at the sole discretion of the government of Chhattisgarh.

Pursuant to the agreement, our Company is required to pay Rs. 0.90 per cum of water in addition to local fund cess and any other tax as fixed by the government. The water rates, local fund cess and other taxes are subject to revision by the government from time to time. However, for any unauthorized or excess drawal of water, an additional rate of 50% shall be charged. Our Company is required to pay water charges for atleast 90% of the total quantum of water allowed to be drawn even if the quantity of water drawn is less than 90%. An interest at the rate of 24% and service charge at the rate of 1% shall be paid if payment is delayed beyond three months from the date of the bill. The non-payment of bill for a period of six months from the due date shall be treated as a breach of the agreement. The agreement further stipulates that water shall be used for the purposes of the plant including water supply to the colony and shall not be misused by way of sale of water to another customer in which case the government in addition to its right to revoke the license be entitled to recover the proceeds of such sale of water by our Company. The agreement further provides that during shortage of water the Company shall reduce the consumption of such water.

The agreement also provides that no existing irrigation interests or water rights vested in the upstream riparian owners or government's rights to launch or implement a new scheme shall be prejudiced as a result of this agreement. Our Company shall be liable to pay compensation for submergence of land property or public facilities, etc. on account of construction of civil engineering works for creating sources of water supply. The agreement may be terminated by the government of Chhattisgarh if our Company commits a breach of any of the terms and conditions stipulated in the same.

Bulk Power Transmission Agreement between Power Grid Corporation of India Limited and our Company

Our Company entered into a bulk power transmission agreement ("**BPTA**") with PGCIL on March 19, 2008, for availing long term open access in accordance with Central Electricity Regulatory Commission (Open Access in Inter State Transmission) Regulations dated January 30, 2004 and Electricity Act, 2003 to the transmission system of PGCIL. Pursuant to the BPTA, our Company shall share the WR transmission charges corresponding to 500 MW power immediately on connectivity at Raipur and shall have long term open access to the tune of 500 MW for power transfer to Gujarat and Chhattisgarh. Further, the agreement also provides for setting up of dedicated transmission systems, namely, Jindal TPS-Raipur 400 KV D/C line and two 400 KV line bays at Raipur, to serve as an evacuation system to facilitate long tem open access. This dedicated system is required to be built, owned, operated and maintained by our Company.

In terms of the BPTA, our Company has agreed to share and pay all the transmission charges of PGCIL including Foreign Exchange Rate Variation ("**FERV**"), incentive, income tax and other charges and taxes for the use of its transmission system of western region including inter regional links/ ULDC/ NLDC charges and any additions thereof.

In addition to the revolving letter of credit, our Company is required to provide security in the form of fixed deposit receipt with nationalised bank pledged in favour of PGCIL, equivalent to 6 months estimated average transmission charges of the concerned regions applicable to our Company.

The term of BPTA is 25 years and all differences/disputes between the parties out of or in connection with the BPTA is required to be resolved in terms of the redressal mechanism provided under Regulation 35 of the CERC Regulations.

Power Purchase Agreement between our Company and Chhattisgarh State Power Distribution Company Limited

Our Company entered into a power purchase agreement with the Chhattisgarh State Power Distribution Company Limited ("**CSPDCL**") on May 8, 2009 and a first supplementary power purchase agreement dated July 30, 2009 for the purchase of power by CSPDCL from our Tamnar I Project (250 MW Unit No. IV, if supplying from other unit prior approval of CSPDCL required) located at village Tamnar at Raigarh for a quantum of 150 MW firm power on round the clock basis.

Term: The agreement shall come into force from the date of availing power supply by CSPDCL i.e. March 9, 2009 and shall remain in force for the period of one year which could be further extended by mutual consent of both the parties.

Tariff: CSPDCL is required to pay a sum of Rs. 2.95 per unit for firm power at 80% load factor w.e.f. April 1, 2009. Any change in the tariff w.e.f. April 1, 2009 shall be as may be decided by the Chhattisgarh State Electricity Regulatory Commission ("**CSERC**") for short-term procurement of power by CSPDCL.

Rebate and Penalty: If the bill amount is paid within a period of seven days from the date of submission of the bill then CSPDCL shall be entitled to get a rebate of 2% on the billed amount.

If the payment is delayed beyond a period of 30 days from the date of submission of the bill a penalty at the rate of 1.0% per month of the unpaid bill will be levied by our Company w.e.f. April 1, 2009. The surcharge shall be calculated on simple interest basis on the number of days outstanding after the said period.

Other Modalities: Our Company shall give daily schedule of electrical power in 15 minutes block to state load dispatch centre Bhilai under the state transmission utility ("**STU**").

Our Company shall be permitted to inject up to 110% of contracted power for the non-peak period, however, payment of Rs. 1 per unit shall be made for power injected over and above 110% of the contracted quantum of power, subject to the condition that technical limitation be observed by our Company. Units supplied up to permitted injection rate of 110% of contracted power on real time basis during off-peak hours will be taken as eligible units for load factor, payment and other calculations.

Our Company shall be permitted to inject more than the contracted quantum of power without the 110% restriction during the evening peak hours subject to technical limitation of equipments of power system and shall be paid Rs.2.95 per unit plus incentive of 5% of the base rate/effective rate provided it is supplied at the load factor of 80% and above during this period.

Notwithstanding anything contained in the agreement the contracted capacity can be increased or decreased on availability and requirement basis on mutual agreement between the parties subject to technical feasibility and conditions as prescribed by both the parties.

Our Company is required to abide by the grid discipline as per the provisions of the Sate Electricity Grid Code and is required to maintain technical parameters regarding voltage, frequency, power factor, within the limit as per prudent utility practices subject to the technical plant limits and in line with prudent utility practices. Our Company is required to operate and maintain the plant in such a manner so as to not have an adverse affect on the operation of the Chhattisgarh State Power Transmission Company Limited ("**CSPTCL**")/STU's grid system. If any violation in abiding by the grid discipline is observed, CSPTCL/STU will be at the liberty to isolate our Company's power supply from its grid system, without any liability on CSPDCL.

Indemnity: Our Company is required to indemnify CSPDCL and other successor companies of Chhattisgarh State Electricity Board from any/all damages which may occur to their personnel, as the case may be, during the operation of the interconnection.

Agreement between our Company and Jindal Steel & Power Limited

Our Company entered into an agreement with JSPL on July 2, 2009 for the sale of up to 100 MW round the clock power to JSPL. Pursuant to the terms of the agreement, JSPL is required to indicate its requirement of power to JPL 24 hours in advance on a daily basis.

Term: The agreement is for a period of one year from April 1, 2009 unless terminated earlier pursuant to the terms of the agreement or the mutual consent of the parties. The supply of energy is required to commence from April 1, 2009 or such other date as mutually agreed between the parties. The agreement may, however, be renewed for a further period as may be agreed by the parties.

Tariff: JSPL shall pay a net sum of Rs. 2.80 per Kwh for the period between April 1, 2009 and July 14, 2009 and Rs. 3.00 per Kwh for the period between July 15, 2009 and March 31, 2010 to our Company.

Surchage: A surcharge of 15% per annum shall apply on all outstanding payments after the due date of payment for the energy supplied during the month.

Termination: The agreement could be terminated on account of default in performance or breach of the terms and conditions set out in the agreement by either party. This includes the failure by our Company to deliver energy to JSPL for a continuous period of 60 days in any year or the non-payment by JSPL to JPL for the energy supplied for an identical period. In either case, a written notice to the defaulting party shall be sent to rectify the default within a period of 30 days failing which the affected party may terminate the agreement. The agreement could also be terminated due to the continuance of any of the force majeure events, detailed in the agreement, for a continuous period of 150 days in any year.

II. PROJECTS UNDER IMPLEMENTATION

A. Tamnar II Project

Memorandum of Understanding between our Company, the Government of Chhattisgarh and the Chhattisgarh State Electricity Board

Our Company entered into two MoUs dated February 1, 2008 and April 2, 2008, respectively, with the Government of Chhattisgarh and the CSEB for setting up two coal based thermal power projects of 1,260 MW each at Raipur, Chhattisgarh.

The MoUs require the Chhattisgarh State Investment Promotion Board to facilitate the development of the project on behalf of the Government of Chhattisgarh by extending cooperation to our Company by facilitating the expeditious grant of permissions, approvals, no-objection certificates, recommendations etc. The Government of Chhattisgarh is required to make efforts to extend all incentives available under its Industrial Policy or those offered to similar projects to these projects. Further, our Company is allowed to wheel power to its customers or a licensee but would have to provide, on an annualised basis, to the Government of Chhattisgarh or its nominated agency, 5.00% of the net power generated by the project at energy (variable) charges, as determined by the appropriate electricity regulatory commission. However, in case our Company is allotted a captive coal block for supply of coal to the project, then our Company is required to provide on an annualised basis 7.50% of the net power generated by the project at energy (variable) charges, as determined by the appropriate electricity regulatory commission. In addition to the above, the State Government of Chhattisgarh or its nominated agency has the first right to purchase power up to 30% of the aggregate capacity of the generating units for a period of 20 years at the rate to be approved by the appropriate electricity regulatory commission. Our Company is required to make the above offer only once and the right is exercisable by the State Government of Chhattisgarh within 60 days of the offer being made.

The term of the power purchase agreement on the expiry of 20 years may be extended if the State Government of Chhattisgarh so desires on the terms and conditions to be mutually agreed by the parties at that time. The MoUs are valid up to January 31, 2010 and April 1, 2010, respectively.

Contract Agreement between Bharat Heavy Electricals Limited and our Company for the supply of 4x600 MW BTG package

Our Company entered into a contract agreement with Bharat Heavy Electricals Limited (the "**BHEL**") on October 29, 2009 for the supply of certain equipment and instrumentation including sub-critical boilers, turbine, generator package ("**BTG equipment**") for the 4 X 600 MW thermal power project at Tamnar, Raigarh.

Effective Date: The effective date of the contract shall be December 27, 2008.

Scope: Pursuant to the contract agreement, BHEL has agreed to design, engineer, procure, manufacture, supply and assemble BTG equipments to our Company in accordance with the terms and conditions specified in the agreement.

Consideration: Our Company is required to pay Rs. 43,560 million as contract price for the services to be provided by BHEL.

Completion Schedule: The BTG equipment is required to be supplied in such a manner so as to enable commissioning of unit 1 within 41 months, unit 2 within 45 months, unit 3 within 49 months and unit 4 within 53 months from the effective date. BHEL is required to dispatch the BTG equipment as per agreed delivery schedule to facilitate the commissioning of the respective units within the stipulated time period.

Defects Liability Period: The defects liability period of the BTG equipment shall be for a period of 12 months from the date of commissioning or 18 months from the date of last item received of respective units, whichever is earlier. However, the obligation of BHEL would cease if the equipment and tools have not been operated by our Company in accordance with the generally approved industry practices, conditions of operation and operating manuals or if the equipment and tools become defective for reason not attributable to BHEL.

Liquidated Damages: BHEL shall be liable to pay liquidated damages for certain events, including, delay in commissioning, failure to achieve performance guarantee standards, shortfall in boiler capacity, shortfall in boiler efficiency, increase in turbine heat rate, shortfall in power output and increase in auxiliary power consumption.

Contract Agreement between Bharat Heavy Electricals Limited and our Company for the erection, testing, commissioning and transportation of 4x600 MW BTG package

Our Company entered into a contract agreement with BHEL on October 29, 2009 for the erection, testing, commissioning and transportation of certain equipment and instrumentation including sub-critical boilers, turbine, generator package, transformer (the "**BTG equipment**") for the 4 X 600 MW thermal power plant at Tamnar, Raigarh.

Effective Date: The effective date of the contract shall be December 27, 2008.

Scope: Pursuant to the agreement, BHEL has agreed to transport, erect and commission the BTG equipment for our Company in accordance with the terms and conditions specified in the contract agreement.

Consideration: Our Company is required to pay Rs. 6,840 million as contract price for the services to be provided by BHEL.

Commissioning Schedule: BHEL is required to take delivery of the BTG equipment, transport and erect the same as per the agreed execution schedule to facilitate the commissioning of the respective units within the stipulated time period.

Liquidated Damages: BHEL shall be liable to pay liquidated damages for delay in commissioning at the rate of ½% of the contract price of the services of the delayed unit for each completed week of delay or part thereof subject to a maximum 7.5% of the total contract price of the services of the respective unit delayed.

Defects Liability Period: The defects liability period shall be for a period of 12 months from the date of commissioning of respective units or from the date of renewal/replacement/repair for the replaced/renewed/repaired parts. The obligation of BHEL shall cease if our Company has not operated the equipment and tools according to the generally approved industry practices, conditions of operation and operating manuals or if our Company has made unreasonable delay in notifying the defect to BHEL or if the equipment and tools become defective for reason not attributable to BHEL and in case of normal wear and tear.

Power Purchase Agreement between our Company and Jindal Steel & Power Limited

Our Company entered into a power purchase agreement with JSPL, on November 30, 2009 for purchase of power by JSPL from our Company's 4x600 MW power plant located at Tamnar in Raigarh District in the state of Chhattisgarh for a quantum of up to 1,100 MW gross capacity (about 46%) of project on round the clock basis. The supply of energy is required to commence from December 1, 2012, i.e., the commercial operation

date or any other date as may be mutually agreed between the parties. Our Company shall be free to sell the balance power to any other party.

Term: The agreement shall remain in force for a period of 12 years from the date of commencement unless terminated earlier. The agreement may be further extended by mutual agreement.

Tariff: JSPL shall be required to pay Rs. 3.17/Kwh from the CoD for the first five years and Rs. 2.91/Kwh thereafter.

Rebate: JSPL shall be entitled to a rebate of 1.5% for payment made within a period of seven working days after presentation of invoice.

Surcharge: On all outstanding payments after the due date of payment, a surcharge of 12% per annum shall be charged. The surcharge shall be calculated on a day-to-day basis for each day of delay.

Termination: The agreement shall terminate at the end of its term. It may also be terminated on account of default or breach of the agreement by either party for a continuous period of 60 days in any year and the failure of the defaulting party to cure its default within a period of 30 days of receipt of written notice by the other party. The agreement may be terminated on account of the persistence of force majeure event for a continuous period of 150 days in any year or non- receipt of approval of this agreement by Chhattisgarh State Electricity Regulatory Commission or any other competent government instrumentality or non-receipt of statutory consent.

B. Dumka Project

Memorandum of Understanding between the Government of Jharkhand and Jindal Steel & Power Limited

JSPL, entered into a memorandum of understanding with the Government of Jharkhand on November 8, 2007 for setting up of a 6 Mt/yr. steel plant, a captive power plant (3x500 MW (AFBC); 1x85 MW (based on gases from technological units); 2x12 MW (top pressure recovery turbine)) and associated facilities at Patratu in the state of Jharkhand.

Pursuant to the terms of the MoU, the Jharkhand government has agreed to provide all possible assistance, prevailing incentives and facilitate clearances necessary for setting up of the aforesaid projects including facilitating in, inter alia, the acquisition of suitable land for the implementation of the project including land for iron ore/manganese ore and coal mining operations; obtaining permission for optimal drawal of water (from Damodar river); development of infrastructure and supply of electricity; supply of captive mining sources atleast for a period of 30 years including recommending the GoI for coal blocks; grant of prospecting licenses and captive mining leases for iron ore mines and manganese ore reserves and obtaining environmental and other clearances. The government of Jharkhand shall also facilitate in obtaining permission for connectivity of the CPP with the state power grid and grid of Power Grid Corporation of India Limited ("**PGCIL**") and laying of transmission lines and in obtaining state clearances for wheeling excess power to JSPL's other units including those in other states. The GoJ, if required by the Company, also undertakes to facilitate in the signing of a PPA for sale of excess power to the concerned agency of the state government.

However, as per the terms of the MoU, if no efforts are made by JSPL towards the implementation of the project within a period of one year from November 8, 2007 without any apparent cause, the support of the government of Jharkhand shall be deemed to be withdrawn. The location of the captive power plant was thereafter shifted from Patratu to Dumka on account of allocation of coal block by the MoC at Amarakonda-Murgadangal, Distt. Dumka, Jharkhand pursuant to letter dated June 19, 2008 from the Government of Jharkhand.

Agreement for Assignment between Jindal Steel & Power Limited and our Company for the Dumka and Godda Projects

JSPL, has entered into an agreement of assignment with our Company on November 30, 2009 ("**JSPL Assignment Agreement**") to assign and transfer the two MoUs entered into with the Government of Jharkhand on November 8, 2007 and July 5, 2005 (and corrigendum dated May 11, 2006) with respect to the two captive power plants, i.e., (i) 3x500 MW captive power plant to be commissioned at Dumka, Jharkhand; and (ii) 1000 MW captive power plant to be commissioned at Godda, Jharkhand and the respective consents and approvals required for setting up these captive power plants ("**Applied Approvals**"). Pursuant to the terms of the JSPL Assignment Agreement, JSPL has agreed to assign all rights, title, interest, property and benefit in the two

MoU's and all the rights, title, interest, property and benefit and all encumbrances, liabilities and financial obligations with respect to the Applied Approvals to our Company, absolutely forever.

The assignment is, however, subject to the fulfilment of certain conditions as detailed below:

(i) JSPL is required to obtain consent/no objection letter from the Government of Jharkhand for the assignment of the two MoUs and Applied Approvals;

(ii) JSPL and our Company are required to obtain all necessary corporate authorizations and perform all corporate actions, for the purposes of execution, performance and implementation of the assignment as contemplated in the Agreement for Assignment.

Pursuant to the terms of the JSPL Assignment Agreement, our company is required to pay to JSPL all expenses incurred by JSPL pertaining to the two MoUs until the date of signing of the JSPL Assignment Agreement, i.e., a sum amounting to Rs. 7.32 million.

Upon the execution of the JSPL Assignment Agreement, JSPL is required to notify all concerned authorities about the assignment and is required to request in writing to all such concerned authorities where it has submitted applications for grant of various permissions and approvals, licenses and permits including the state government either to issue them in favour of JPL or to issue a no objection. Thereafter, on the request of the concerned authorities, our Company is required to apply before such authorities and complete necessary formalities where JSPL had submitted its application for granting of any permits, licenses, approvals and permissions and had requested the said authorities to grant such permits, licenses, approvals and permissions in favour of our Company.

This agreement may be terminated if (i) either party has committed a material breach of the terms of this agreement and failed to rectify the same within 30 days from receipt of written notice by the breaching party; (ii) non-fulfilment of the conditions precedent within a period of 12 months from the date of assigning and execution of this agreement; and (iii) refusal by the state government or concerned authority to grant no-objection or to transfer any permits, licenses, approvals in favour of our Company.

Coal Supply Agreement between our Company and Shresht Mining and Metals Private Limited for supply of coal to the Dumka Project

Our Company entered into a coal supply agreement with Shresht Mining and Metals Private Limited ("**SMMPL**") on November 30, 2009 for the supply of coal by SMMPL mined from the Amarakonda-Murgadangal coal block to our Company for its Dumka Project. SMMPL has agreed to sell and our Company has agreed to purchase such quantity and quality of coal at such price as stipulated in the terms of this agreement. The coal sold and purchased under this agreement is required to be used exclusively by our Company for its power plant. Subject to the provisions of this agreement, our Company shall not sell or divert the coal to any third party for any purpose.

Term: The coal supply agreement shall be valid for an initial period of 25 years. It may further be extended on mutual agreement.

Conditions Precedent: The coal supply agreement is, however, subject to fulfillment or waiver of certain conditions, which are as follows:

(i) Grant of mining lease in favour of SMMPL and the permission to commence the mining operations after receipt of all necessary clearances, permissions, licenses and approvals from the appropriate authorities.
(ii) Approval from the relevant government authority for the supply of coal by SMMPL to our Company.

First Delivery Date: The date of commencement of supply of coal shall be October 1, 2013 which may however be changed by mutual consent of the parties after review of the progress of the setting up of the power plant.

Termination and Suspension: The coal supply agreement may be terminated by either party on the following grounds:

(i) If either party is unable to perform its obligations (wholly or partially) under this agreement on account

of a force majeure event and such inability to perform lasts for any continuous period of 180 days.

(ii) Our Company may terminate the agreement if the level of delivery falls below 50% and SMMPL may terminate the agreement if the level of lifting falls below 50%. However, in each case such party is required to give atleast 30 days' prior written notice to the other party.

(iii) If the allocation of coal block is terminated for any reason.

(iv) Insolvency of a party or all or substantially all of the assets of such party are expropriated or taken over by the governmental authority.

(v) If either party has committed a breach of a material term of this agreement and has failed to remedy such breach within a period of 30 days.

(vi) If our Company ceases to be a subsidiary of JSPL.

(vii) If our Company is either acquired or sold.

Both the parties may also mutually terminate this agreement.

Power Purchase Agreement between our Company and Jindal Steel & Power Limited

Our Company entered into a power purchase agreement with JSPL, on November 30, 2009 for purchase of power by JSPL from our Company's 2x660 MW power plant located near Saraidaha village in Shikaripara Block, Distt. Dumka, Jharkhand for a quantum of up to 675 MW gross capacity (about 51%) of project on round the clock basis. The supply of energy is required to commence from January 1, 2014, i.e., the commercial operation date or any other date as may be mutually agreed between the parties. Our Company shall be free to sell the balance power to any other party.

Term: The agreement shall remain in force for a period of 25 years from the date of commencement unless terminated earlier. The agreement may be further extended by mutual agreement.

Tariff: JSPL shall be required to pay Rs. 2.80/Kwh from the CoD till financial year 2018-2019 and Rs. 2.50/Kwh thereafter.

Rebate: JSPL shall be entitled to a rebate of 1.5% for payment made within a period of seven working days after presentation of invoice.

Surcharge: On all outstanding payments after the due date of payment, a surcharge of 12% per annum shall be charged. The surcharge shall be calculated on a day-to-day basis for each day of delay.

Other Terms: Our Company is required to commence the generation of power within 47 months from the notice to proceed of the power project. If there is a delay in the supply of energy by our Company resulting in JSPL meeting its requirements from alternative sources, the difference in the cost will be required to be paid by our Company till such time the supply is delayed.

In the event JSPL fails to make payments for continuous period of six months and our Company is unable to find an alternative party for sale of the energy reserved for JSPL, JSPL will be obliged to purchase the power at the termination price determined by the standard accounting principles.

Under the power purchase agreement, our Company is required to bear the transmission charges, transmission losses or any other charges up to the delivery point, i.e. point of inter-connection of our Company with the sub-station of PGCIL at Maithon, Jharkhand. JSPL is required to bear all transmission charges beyond the delivery point including transmission and wheeling charges, transmission losses, state and regional load dispatch centre charges, open access application fees or any other charges related to open access.

Termination: The agreement shall terminate at the end of its term. It may also be terminated on account of default or breach of the agreement by either party for a continuous period of 60 days in any year and the failure of the defaulting party to cure its default within a period of 30 days of receipt of written notice by the other party. The agreement may be terminated on account of the persistence of force majeure event for a continuous period of 150 days in any year or non- receipt of approval of this agreement by Jharkhand State Electricity Regulatory Commission or any other competent government instrumentality or non-receipt of statutory consent.

C. Godda Project

Memorandum of Understanding between Government of Jharkhand and Jindal Steel & Power Limited

Our Company, JSPL, entered into a memorandum of understanding with the Government of Jharkhand on July 5, 2005 for setting up a steel plant and associated facilities in the state of Jharkhand. Thereafter, pursuant to a corrigendum (to the MoU) dated May 11, 2006 a 1,000 MW captive power plant was included in the scope of the MoU.

Under the terms of the MoU, the Government of Jharkhand has agreed to provide necessary assistance, prevailing incentives and facilitating clearances for the aforesaid project including assistance in acquiring land for setting up the project and land for iron ore/manganese ore and coal mining operations; drawal of water (from Subernrekha river); developing infrastructure facilities; supply of captive mining resources at least for a period of 30 years including recommending coal blocks to the GoI; obtaining prospecting licenses and mining leases for captive iron ore and manganese ore mines and other environmental and statutory clearances. The government of Jharkhand shall also facilitate in obtaining permission for connectivity of the CPP with the state power grid and grid of PGCIL and laying transmission lines and obtaining state clearances for wheeling excess power to JSPL's other units including those in other states. The GoJ, if required by the Company, also undertakes to facilitate in the signing of a PPA for sale of excess power to the concerned agency of the state government.

However, the MoU provides that if no efforts are made by JSPL towards the implementation of the project within a period of one year from July 5, 2005, the support of the Government of Jharkhand shall be deemed to be withdrawn. The location of the captive power plant was thereafter shifted from Asanboni, East Singhbhum to Godda on account of allocation of coal block by the MoC at Jitpur, Distt. Godda, Jharkhand pursuant to letter dated June 19, 2008 from the Government of Jharkhand.

Agreement for Assignment between Jindal Steel & Power Limited and our Company for the Dumka and Godda Projects

An agreement of assignment of the Godda Project was entered into between our Company and JSPL on November 30, 2009. For details of the agreement of assignment, see "***-Projects Under Implementation - Dumka Project - Agreement of Assignment between JSPL and our Company for the Dumka and Godda Projects***" above.

Coal Supply Agreement between our Company and Jindal Steel & Power Limited for supply of coal to the Godda Project

Our Company entered into a coal supply agreement with JSPL on November 30, 2009 for the supply of coal by JSPL mined from the Jitpur coal block to our Company for its Godda Project. JSPL has agreed to sell and our Company has agreed to purchase such quantity and quality of coal at such price as stipulated in the terms of this agreement. The coal sold and purchased under this agreement is required to be used exclusively by our Company for its power plant. Subject to the provisions of this agreement, our Company shall not sell or divert the coal to any third party for any purpose.

Term: This agreement shall be valid for an initial period of 25 years. It may further be extended on mutual agreement.

Conditions Precedent: This agreement is, however, subject to fulfillment or waiver of certain conditions, which are as follows:

(i) Grant of mining lease in favour of JSPL and the permission to commence the mining operations after receipt of all necessary clearances, permissions, licenses and approvals from the appropriate authorities.
(ii) Approval from the relevant government authority for the supply of coal by JSPL to our Company.

First Delivery Date: The date of commencement of supply of coal shall be the date not later than 90 days prior to the achievement of commissioning of the first unit of power plant, which is estimated to be 47 months from the date of this agreement. However, if the commissioning is not likely to be achieved by this date the parties shall review the situation from time to time to estimate the further period for such delivery.

Termination and Suspension: This agreement may be terminated by either party on the following grounds:

(i) If either party is unable to perform its obligations (wholly or partially) under this agreement on account of a force majeure event and such inability to perform lasts for any continuous period of 180 days.
(ii) If the allocation of coal block is terminated for any reason.
(iii) Insolvency of a party or all or substantially all of the assets of such party are expropriated or taken over by the governmental authority.
(iv) If either party has committed a breach of a material term of this agreement and has failed to remedy such breach within a period of 30 days.
(v) If our Company ceases to be a subsidiary of JSPL.
(vi) If our Company is either acquired or sold.

Both the parties may also mutually terminate this agreement.

Power Purchase Agreement between our Company and Jindal Steel & Power Limited

Our company entered into a power purchase agreement with JSPL on November 30, 2009 for purchase of power by JSPL from our Company's 660 MW power plant located in Godda, Jharkhand for a quantum of up to 350 MW gross capacity, about 53%, on round the clock basis. The supply of energy is required to commence from January 1, 2014, i.e., the commercial operation date or any other date as may be mutually agreed between the parties. Our Company shall be free to sell the balance power to any other party.

Term: The agreement shall remain in force for a period of 25 years from the date of commencement unless terminated earlier. The agreement may be further extended by mutual agreement.

Tariff: JSPL shall be required to pay Rs. 2.80/Kwh from the CoD till financial year 2018-2019 and Rs. 2.50 per unit thereafter.

Rebate: JSPL shall be entitled to a rebate of 1.5% for payment made within a period of seven working days after presentation of invoice.

Surcharge: On all outstanding payments after the due date of payment, a surcharge of 12% per annum shall be charged. The surcharge shall be calculated on a day-to-day basis for each day of delay.

Other Terms: Our Company is required to commence the generation of power within 47 months from the notice to proceed of the power project. If there is a delay in the supply of energy by our Company resulting in JSPL meeting its requirements from alternative sources, the difference in the cost will be required to be paid by our Company till such time the supply is delayed.

In the event JSPL fails to make payments for continuous period of six months and our Company is unable to find an alternative party for sale of the energy reserved for JSPL, JSPL will be obliged to purchase the power at the termination price determined by the standard accounting principles.

Under the terms of the power purchase agreement, our Company is required to bear the transmission charges, transmission losses or any other charges up to the delivery point, i.e. point of inter-connection of our Company with the sub-station of PGCIL at Maithon, Jharkhand. JSPL is required to bear all transmission charges beyond the delivery point including transmission and wheeling charges, transmission losses, state and regional load dispatch centre charges, open access application fees or any other charges related to open access.

Termination: The agreement shall terminate at the end of its term. It may also be terminated on account of default or breach of the agreement by either party for a continuous period of 60 days in any year and the failure of the defaulting party to cure its default within a period of 30 days of receipt of written notice by the other party. The agreement may be terminated on account of the persistence of force majeure event for a continuous period of 150 days in a year or non- receipt of approval of this agreement by Jharkhand State Electricity Regulatory Commission or any other competent government instrumentality or non-receipt of statutory consent.

D. Etalin Project

Joint Venture Agreement between our Company and Hydro Power Development Corporation of Arunachal Pradesh Limited for the Etalin Project

Our Company has entered into a joint venture agreement with the HPDCAPL on December 8, 2008 for forming a joint venture company for the development, operation and maintenance of the 4,000 MW Etalin hydroelectric project in the state of Arunachal Pradesh, pursuant to the allotment of the project to HPDCAPL by the Government of Arunachal Pradesh and the approval to implement the same under a joint venture with our Company under its Hydro Power Policy, 2008 ("**Hydro Policy**"), subject to certain terms and conditions.

Term: The agreement came into force on December 8, 2008 and shall continue till the continuance of the project unless terminated earlier pursuant to the terms of the agreement.

Registered Office: The registered office of the joint venture company is required to be in Itanagar, Arunachal Pradesh.

Capital Structure: The initial proposed authorised capital of the joint venture company shall be Rs. 50 million divided into 5,000,000 shares of Rs. 10 each and the initial paid-up capital shall be Rs. 10 million divided into 1,000,000 shares of Rs. 10 each. The initial shareholding of our Company and HPDCAPL in the joint venture company shall be in the ratio of 74:26.

Management: The board of directors of the joint venture company shall comprise of a minimum of five directors. In the event the board of directors of the joint venture company comprises five directors, our Company shall be represented by four directors. However, if the number of directors is increased beyond five, our Company shall at all times be represented by atleast 50% of the board strength plus one director. HPDCAPL shall be represented by one director.

Consent for certain matters: As per the terms of the agreement, the following matters cannot be carried out by the joint venture company except with the affirmative vote of our Company and HPDCAPL, in the shareholders'/board meeting, as applicable:

(a) Dissolution, liquidation or winding up of the joint venture company;
(b) Commencement of any new business or any diversification from the core business of the joint venture company;
(c) Merger or amalgamation with any other entity or split/division of the joint venture company;
(d) Closure of the business or activities of the joint venture company or sale or transfer of any of its undertaking;
(e) Creation of mortgage, charge, lien or encumbrance on the movable and immovable assets of the joint venture company except in the normal course of business of the joint venture company for securing loans from the lenders;
(f) Any sale, lease or transfer of the whole or substantial part of the undertaking or assets of the joint venture company.

Transfer of Shares: Under the terms of the agreement, each party is at the liberty to transfer their respective shares in the joint venture company to their respective holding or subsidiary company or associates. In addition, except as otherwise permitted under the terms of the articles of association of the joint venture company, HPCDAPL is free to transfer the shares to any person subject to the right of first offer to our Company. The above requirement is applicable to our Company as well except when the shares are transferred to its holding or subsidiary company or associates.

Key Terms and Conditions of Allotment by the Government of Arunachal Pradesh:

(a) The project shall be implemented by the joint venture company as a run-of-the-river scheme on built-own-operate-transfer ("**BOOT**") basis for an initial lease period of 40 years from the commercial operation date of the last unit of the project, which may be extended on mutually agreeable terms and conditions. The project shall be reverted to the state government on the expiry of the final lease period free of cost in good working condition.
(b) The joint venture company shall not be allowed to sell and transfer the project to any other party without the prior permission of the state government.
(c) Subject to certain conditions, the state government shall be given free power equivalent to 12% of the deliverable energy of the project and an additional power equivalent to 1% of the deliverable energy of the project shall be provided and earmarked for the local area development fund.
(d) In addition to the free power, the state government will have the first right to purchase up to 5% of the deliverable energy from the project if the state government so desires on mutually agreeable terms and

conditions subject to the requirement within the state. In the event the state government does not utilize the quantum of power as agreed in the power purchase agreement between the joint venture company and the state government, the joint venture company shall be free to sell the power to any other party.

(e) The joint venture company shall be responsible for developing the transmission system for the evacuation of power. However, if such power is purchased by the state government, it shall pay transmission tariff for use of its transmission facility;

(f) The joint venture company shall earmark a reasonable amount for corporate social obligation in accordance with the National Policy on Rehabilitation & Resettlement, 2003.

(g) The joint venture company shall bear the state government's share of 10% of project cost of Rajiv Gandhi Grameen Vidyutikaran Yojana ("**RGGVY**") within a radius of 10 km from the power house of the project.

(h) The joint venture company shall be responsible for any damage or loss arising out of the construction, operation and maintenance of the project to any property or person and undertakes to indemnify the Government of Arunachal Pradesh on such account.

(i) The joint venture company shall be liable and responsible for all its acts, omissions and commissions and for those of its contractors and employees.

(j) The joint venture company will be allowed a total period of five and a half years for completing of survey and investigation, preparation and submission of the detailed project report and achieving financial closure from December 8, 2008. The joint venture company will be allowed a further period of eight years for implementation of the project. However, if the financial closure is not achieved before the expiry of five and a half years for reasons other than that on account of force majeure, the Government of Arunachal Pradesh after giving due opportunity to the joint venture company to achieve financial closure, reserves the right to withdraw/take over the project.

(k) In the event of failure to start construction work on stoppage of the construction work of the project during the period of construction by the joint venture company for a continuous period of more than 12 months for reasons other than force majeure conditions stipulated in the agreement or for reasons attributable to the joint venture company or abandonment of the project by the joint venture company, the state government after giving due opportunity to the joint venture company to resume work, reserves the right to take over the project without owning any liabilities towards the joint venture company.

Termination: The agreement may be terminated by mutual consent of the parties. It may further be terminated on entire transfer of shares of the joint venture company being made in accordance with the 'Transfer of Shares' provisions of the agreement by any party. In addition, the agreement shall terminate on the dissolution of the joint venture company pursuant to a resolution to wind up the company or the appointment of a liquidator, as the case may be.

Thereafter, pursuant to the terms of the joint venture agreement and post the incorporation of the joint venture company, namely, Etalin Hydro Electric Power Company Limited, our Company and HPDCAPL entered into a deed of adherence with Etalin Hydro Electric Power Company Limited dated September 23, 2009 making it a party to the joint venture agreement in order to comply with the terms and conditions of the joint venture agreement applicable to the joint venture company. The deed of adherence shall be effective and binding between the parties from May 16, 2009.

Contract Agreement between Etalin Hydro Electric Power Company Limited and R.S. Envirolink Technologies Private Limited for the preparation of Environmental Impact Assessment Study and Environment Management Plan Study for the Etalin Project

Etalin Hydro entered into a contract agreement with R.S. Envirolink Technologies Private Limited ("**Envirolink**") on October 31, 2009 to provide consultancy services for carrying out environmental impact assessment ("**EIA**") and environment management plan ("**EMP**") studies for the Etalin Project and obtaining the environmental clearance from the MoEF, GoI.

Effective Date: The effective date of the contract is October 31, 2009.

Tem: The contract shall expire at the end of 18 months from October 31, 2009 or as mutually agreed between the parties.

Consideration: The consideration for such consultancy services shall be Rs. 4 million.

Limitation of Liabilities: Our Company shall not be responsible for liabilities arising out of the contractual obligations of Envirolink with its personnel, engineers, vendors or subsidiaries. Similarly, Envirolink shall not be responsible for any liabilities arising out of our Company's personnel, collaborators, vendors or subsidiaries.

Both parties are required to assume full risk of damage or injury to its own properties, employees or representatives caused by an act or omission by their respective employees and representatives during the performance of the contract.

Termination: If in our Company's opinion Envirolink is not discharging its obligations to the complete satisfaction of our Company or if Envirolink commits a breach of confidentiality, our Company shall have the right to terminate the appointment with a one month notice.

Contract Agreement between Etalin Hydro Electric Company Limited and SNC Lavalin Engineering India Private Limited for the preparation of Detailed Project Report

Etalin Hydro entered into a contract agreement with SNC Lavalin Engineering India Private Limited ("**SNC**") on November 13, 2009 for consultancy services for detailed topographical survey, geophysical investigation, transportation study, land slide study, construction material survey, hydrological and sedimentation study, geological studies, engineering studies and preparation of detailed project report ("**DPR**") for the Etalin project and obtaining clearances from various statutory authorities including techo-economic clearance from the Central Electricity Authority ("**CEA**") and identification and preparation of pre-feasibility report ("**PFR**") of small hydro projects in the vicinity of Etalin and Attunli Projects.

Consideration: The contract price for the consultancy services is Rs. 88.80 million. This consideration is firm for a period of 30 months, i.e. till the completion period of the contract. If such period is extended due to reasons not attributable to SNC, the contract price for the balance work is required to be adjusted to account for escalation and downtime as mutually agreed.

Effective Date: The effective date of contract is the date of release of advance to SNC or 21 days of signing of the agreement, i.e., November 13, 2009, whichever is earlier.

Term: The term of the contract is 30 months from the effective date.

Liquidated Damages: For any delay beyond the scheduled period of completion as per the work schedule, SNC is required to pay our Company liquidated damages and not as penalty, an amount at the rate of 0.5% of the contract price for each calendar week of delay and pro rata for the part thereof. The total liability of SNC shall not exceed 7.5% of the total contract price.

Termination: The contract may be terminated by our Company on account of default or for its convenience (with 30 days' prior written notice) or on account of insolvency of SNC.

The contract may be terminated by SNC with at least 30 days' notice if our Company fails to make payment of money due after receiving notice from SNC that such payment is overdue and if our Company is in material breach of the contract and has failed to remedy the breach within 30 days or such other extended time as communicated by SNC in writing of receipt of such notice.

E. Attunli Project

Joint Venture Agreement between our Company and Hydro Power Development Corporation of Arunachal Pradesh Limited for the Attunli Project

Our Company has entered into a joint venture agreement with the HPDCAPL on December 8, 2008 for forming a joint venture company for the development, operation and maintenance of the 500 MW Attunli hydroelectric project in the state of Arunachal Pradesh, pursuant to the allotment of the project to HPDCAPL by the Government of Arunachal Pradesh and the approval to implement the same under a joint venture with our Company under its Hydro Policy, subject to certain terms and conditions.

Term: The agreement came into force on December 8, 2008 and shall continue till the continuance of the project, unless terminated earlier pursuant to the terms of the agreement.

Registered Office: The registered office of the joint venture company is required to be in Itanagar, Arunachal Pradesh.

Capital Structure: The initial proposed authorised capital of the joint venture company shall be Rs. 50 million divided into 5,000,000 shares of Rs. 10 each and the initial paid-up capital shall be Rs. 10 million divided into 1,000,000 shares of Rs. 10 each. The initial shareholding of our Company and HPDCAPL in the joint venture company shall be in the ratio of 74:26.

Management: The board of directors of the joint venture company shall comprise of a minimum of five directors. In the event the board of directors of the joint venture company comprises five directors, our Company shall be represented by four directors. However, if the number of directors is increased beyond five, our Company shall at all times be represented by atleast 50% of the board strength plus one director. HPDCAPL shall be represented by one director.

Consent for certain matters: As per the terms of the agreement, the following matters cannot be carried out by the joint venture company except with the affirmative vote of our Company and HPDCAPL, in the shareholders'/board meeting, as applicable:

(a) Dissolution, liquidation or winding up of the joint venture company;
(b) Commencement of any new business or any diversification from the core business of the joint venture company;
(c) Merger or amalgamation with any other entity or split/division of the joint venture company;
(d) Closure of the business or activities of the joint venture company or sale or transfer of any of its undertaking;
(e) Creation of mortgage, charge, lien or encumbrance on the movable and immovable assets of the joint venture company except in the normal course of business of the joint venture company for securing loans from the lenders;
(f) Any sale, lease or transfer of the whole or substantial part of the undertaking or assets of the joint venture company.

Transfer of Shares: Under the terms of the agreement, each party is at the liberty to transfer their respective shares in the joint venture company to their respective holding or subsidiary company or associates. In addition, except as permitted under the terms of the articles of association of the joint venture company, HPCDAPL is free to transfer the shares to any person subject to the right of first offer to our Company. The above requirement is applicable to our Company as well except when the shares are transferred to its holding or subsidiary company or associates.

Key Terms and Conditions of Allotment by the Government of Arunachal Pradesh:

(a) The project shall be implemented by the joint venture company as a run-of-the-river scheme on BOOT basis for an initial lease period of 40 years from the commercial operation date of the last unit of the project, which may be extended on mutually agreeable terms and conditions. The project shall be reverted to the state government on the expiry of the final lease period free of cost in good working condition.
(b) The joint venture company shall not be allowed to sell and transfer the project to any other party without the prior permission of the state government.
(c) Subject to certain conditions, the state government shall be given free power equivalent to 12% of the deliverable energy of the project and an additional power equivalent to 1% of the deliverable energy of the project shall be provided and earmarked for the local area development fund.
(d) In addition to the free power, the state government will have the first right to purchase up to 5% of the deliverable energy from the project if the state government so desires on mutually agreeable terms and conditions subject to the requirement within the state. In the event the state government does not utilize the quantum of power as agreed in the power purchase agreement between the joint venture company and the state government, the joint venture company shall be free to sell the power to any other party.
(e) The joint venture company shall be responsible for developing the transmission system for the evacuation of power. However, if such power is purchased by the state government, it shall pay transmission tariff for use of its transmission facility;
(f) The joint venture company shall earmark a reasonable amount for corporate social obligation in accordance with the National Policy on Rehabilitation & Resettlement, 2003.

(g) The joint venture company shall bear the state government's share of 10% of project cost of RGGVY within a radius of 10 km from the power house of the project.
(h) The joint venture company shall be responsible for any damage or loss arising out of the construction, operation and maintenance of the project to any property or person and undertakes to indemnify the Government of Arunachal Pradesh on such account.
(i) The joint venture company shall be liable and responsible for all its acts, omissions and commissions and for those of its contractors and employees.
(j) The joint venture company will be allowed a total period of five and a half years for completing of survey and investigation, preparation and submission of the detailed project report and achieving financial closure from December 8, 2008. The joint venture company will be allowed a further period of eight years for implementation of the project. However, if the financial closure is not achieved before the expiry of five and a half years for reasons other than that on account of force majeure, the Government of Arunachal Pradesh after giving due opportunity to the joint venture company to achieve financial closure, reserves the right to withdraw/take over the project.
(k) In the event of failure to start construction work on stoppage of the construction work of the project during the period of construction by the joint venture company for a continuous period of more than 12 months for reasons other than force majeure conditions stipulated in the agreement or for reasons attributable to the joint venture company or abandonment of the project by the joint venture company, the state government after giving due opportunity to the joint venture company to resume work, reserves the right to take over the project without owning any liabilities towards the joint venture company.

Termination: The agreement may be terminated by mutual consent of the parties. It may further be terminated on entire transfer of shares of the joint venture company being made in accordance with the 'Transfer of Shares' provisions of the agreement by any party. In addition, the agreement shall terminate on the dissolution of the joint venture company pursuant to a resolution to wind up the company or the appointment of a liquidator, as the case may be.

Thereafter, pursuant to the terms of the joint venture agreement and post the incorporation of the joint venture company, namely, Attunli Hydro Electric Power Company Limited, our Company and HPDCAPL entered into a deed of adherence with Attunli Hydro Electric Power Company Limited dated September 23, 2009 making it a party to the joint venture agreement in order to comply with the terms and conditions of the joint venture agreement applicable to the joint venture company. The deed of adherence shall be effective and binding between the parties from May 16, 2009.

Contract Agreement between Attunli Hydro Electric Power Company Limited and R.S. Envirolink Technologies Private Limited for the preparation of Environmental Impact Assessment Study and Environment Management Plan Study for the Etalin Project

Attunli Hydro entered into a contract agreement with Envirolink on October 31, 2009 to provide consultancy services for carrying out environmental impact assessment ("**EIA**") and environment management plan ("**EMP**") studies for the Attunli Project and obtaining the environmental clearance from the MoEF, GoI.

Effective Date: The effective date of the contract is October 31, 2009.

Tem: The contract shall expire at the end of 18 months from October 31, 2009 or as may be mutually agreed between the parties.

Consideration: The consideration for such consultancy services shall be Rs. 2.9 million.

Limitation of Liabilities: Our Company shall not be responsible for liabilities arising out of the contractual obligations of Envirolink with its personnel, engineers, vendors or subsidiaries. Similarly, Envirolink shall not be responsible for any liabilities arising out of our Company's personnel, collaborators, vendors or subsidiaries.

Both parties are required to assume full risk of damage or injury to its own properties, employees or representatives caused by an act or omission by their respective employees and representatives during the performance of the contract.

Termination: If in our Company's opinion Envirolink is not discharging its obligations to the complete satisfaction of our Company or if Envirolink commits a breach of confidentiality, our Company shall have the right to terminate the appointment with a one month notice.

Contract Agreement between Attunli Hydro Electric Company Limited and SNC Lavalin Engineering India Private Limited for the preparation of Detailed Project Report

Attunli Hydro entered into a contract agreement with SNC on November 13, 2009 for consultancy services for detailed topographical survey, geophysical investigation, transportation study, land slide study, construction material survey, hydrological and sedimentation study, geological studies, engineering studies and preparation of DPR for the Etalin project and obtaining clearances from various statutory authorities including techo-economic clearance from the CEA.

Consideration: The contract price for the consultancy services is Rs. 46.20 million. This consideration is firm for a period of 30 months, i.e. till the completion period of the contract. If such period is extended due to reasons not attributable to SNC, the contract price for the balance work is required to be adjusted to account for escalation and downtime as mutually agreed.

Effective Date: The effective date of contract is the date of release of advance to SNC or 21 days of signing of the agreement, i.e., November 13, 2009, whichever is earlier.

Term: The term of the contract is 30 months from the effective date.

Liquidated Damages: For any delay beyond the scheduled period of completion as per the work schedule which is attributable to SNC, SNC is required to pay our Company liquidated damages and not as penalty, an amount at the rate of 0.5% of the contract price for each calendar week of delay and pro rata for the part thereof. The total liability of SNC shall not exceed 7.5% of the total contract price.

Termination: The contract may be terminated by our Company on account of default or for its convenience (with 30 days' prior written notice) or on account of insolvency of SNC.

The contract may be terminated by SNC with at least 30 days' notice if our Company fails to make payment of money due after receiving notice from SNC that such payment is overdue and if our Company is in material breach of the contract and has failed to remedy the breach within 30 days or such other extended time as communicated by SNC in writing of receipt of such notice.

F. Subansiri Middle Project

Joint Venture Agreement between our Company and Hydro Power Development Corporation of Arunachal Pradesh Limited for the Subansiri Middle Project

Our Company entered into a joint venture agreement with HPDCAPL on August 29, 2009 for forming a joint venture company for the development, operation and maintenance of the 1,600 MW Middle Subansiri hydroelectric project in the state of Arunachal Pradesh, pursuant to the allotment of the project to HPDCAPL by the Government of Arunachal Pradesh and the approval to develop the same through joint venture route with our Company under its Hydro Policy, subject to certain terms and conditions contained in the memorandum of agreement executed between our Company, HPDCAPL and the Government of Arunachal Pradesh on August 28, 2009.

Term: The agreement came into force on August 29, 2009 and shall continue till the completion of the project, unless terminated earlier pursuant to the terms of the agreement.

Registered Office: The registered office of the joint venture company shall be in the state of Arunachal Pradesh.

Capital Structure: The initial proposed authorised capital of the joint venture company shall be Rs. 50 million divided into 5,000,000 shares of Rs. 10 each and the initial paid-up capital of the joint venture company shall be Rs. 10 million divided into 1,000,000 shares of Rs. 10 each. The initial shareholding of our Company and HPDCAPL in the joint venture company shall be in the ratio of 74:26.

Management: The board of directors of the joint venture company shall comprise of a minimum of five directors. In the event the board of directors of the joint venture company comprises five directors, our Company shall be represented by four directors. However, if the number of directors is increased beyond five, our Company shall at all times be represented by atleast 50% of the board strength plus one director. HPDCAPL shall be represented by one director.

Consent for certain matters: As per the terms of the agreement, the following matters cannot be carried out by the joint venture company except with the affirmative vote of our Company and HPDCAPL, in the shareholders'/board meeting, as applicable:

(a) Dissolution, liquidation or winding up of the joint venture company;
(b) Commencement of any new business or any diversification from the core business of the joint venture company;
(c) Merger or amalgamation with any other entity or split/division of the joint venture company;
(d) Closure of the business or activities of the joint venture company or sale or transfer of any of its undertaking;
(e) Creation of mortgage, charge, lien or encumbrance on the movable and immovable assets of the joint venture company except in the normal course of business of the joint venture company for securing loans from the lenders;
(f) Any sale, lease or transfer of the whole or substantial part of the undertaking or assets of the joint venture company.

Transfer of Shares: Under the terms of the agreement, each party is at the liberty to transfer their respective shares in the joint venture company to their respective holding or subsidiary company or associates. In addition, except as otherwise permitted under the terms of the articles of association of the joint venture company, HPCDAPL is free to transfer the shares to any person subject to the right of first offer to our Company. The above requirement is applicable to our Company as well except when the shares are transferred to its holding or subsidiary company or associates.

Termination: The agreement may be terminated by mutual consent of the parties. It may further be terminated on entire transfer of shares of the joint venture company being made in accordance with the 'Transfer of Shares' provisions of the agreement by any party. In addition, the agreement shall terminate on the dissolution of the joint venture company pursuant to a resolution to wind up the company or the appointment of a liquidator, as the case may be. However, for the winding up or dissolution of the joint venture company, prior approval of the state government is required.

The memorandum of agreement between the Government of Arunachal Pradesh, HPDCAPL and our Company contain the following terms and conditions:

(a) The project shall be implemented as a run-of-the-river/storage scheme on BOOT basis for an initial lease period of 40 years from the commercial operation date, which may be extended on mutual agreement. At the expiry of the lease period, the project shall be reverted to the state government in good working condition free of cost.
(b) 12% free power shall be given to the state government from the commercial operation date.
(c) The state government shall have the first right to purchase up to 5% power generated from the project on mutually agreed terms and conditions. However, this right shall be exercised within 90 days of such offer and a PPA shall be executed. If not, then our Company shall sell the power to any other third party at its discretion.
(d) An additional 1% free power from the project shall be provided for local area development fund.
(e) A reasonable amount shall be earmarked for social works in accordance with the National Policy on Rehabilitation & Resettlement, 2003.
(f) The joint venture company shall be responsible for developing the evacuation system for the project. In the event power generated from the project is purchased by the state government, it shall be responsible for evacuation of power from bus bar onwards at its own cost.
(g) The joint venture company shall be responsible for any damage or loss arising out of the construction, operation and maintenance of the project to any property or person and undertakes to indemnify the Government of Arunachal Pradesh on such account.
(h) The joint venture company shall be liable and responsible for all its acts, omissions and commissions and for those of its contractors and employees.

(i) The joint venture company shall achieve financial closure within 12 months or such extended period as the government may agree, from receipt of statutory clearances, as applicable. If financial closure is not achieved within the stipulated time period, the government of Arunachal Pradesh reserves the right to terminate this agreement.
(j) The state government has the right to terminate the agreement on stoppage of construction works of the project by the joint venture company for over 12 months for reasons attributable to the joint venture company or on abandonment of the project and shall take over the project on 'as is where is' basis.
(k) If the implementation of the project does not commence within four years from August 28, 2009 or one year from the receipt of statutory clearances, whichever is earlier, the project shall be reverted back on an 'as is where is' basis with reports and other documents relating to the same, free of cost.

However, this agreement shall be effective after receipt of the order of the Supreme Court lifting the blanket ban on upstream projects in the Subansiri basin in I.A. No. 1362-63 in 966 & 1012 in W.P. (C) No. 202/1995 and the receipt of upfront premium including processing fee by the state government from our Company on behalf of the joint venture company.

The Supreme Court has through order dated August 21, 2009 stated that any proposal in the upper stream of Subansiri river would be considered independently based on its merit by the Standing Committee of the National Board of Wild Life.

III. PROJECT UNDER PLANNING

A. 2,640 MW Jharkhand Project

Memorandum of Understanding between our Company and the Government of Jharkhand

Our Company entered into a memorandum of understanding with the Government of Jharkhand on June 3, 2008 for the establishment of a 2,640 MW (4x660 MW) power plant in the state of Jharkhand.

Pursuant to the MoU, the Government of Jharkhand is required to extend all reasonable help and co-operation to construct, commission and operate the project in accordance with the extant laws, rules and policies including assisting in acquiring land and selecting coal blocks within the state, recommending to the GoI for allocation of suitable coal blocks for captive coal mining, permitting drawal of water, connectivity to the PGCIL grid for facilitating evacuation of power, infrastructure development and obtaining necessary clearances. However, the Government of Jharkhand or distribution licensees authorised by it will have the first right of claim on the purchase of up to 25% of the power delivered to the system by the proposed power plant under the terms of the PPA to be mutually agreed on the basis of existing laws and regulations and tariff for the same will be determined by the appropriate regulatory commission. The balance power shall be free for sale outside Jharkhand. Our Company, however, has the right to sell the balance power outside the state of Jharkhand. Further, if the Government of Jharkhand or its designated licensee is unable to honor the PPA, our Company will have the right to sell the entire power outside the state of Jharkhand. In addition, our Company can also supply power directly to bulk customers in the state at mutually agreed tariffs. Furthermore, the Government of Jharkhand has moved the Government of India for policy support in relation to: (i) making available to the state 12% of the total power generated at variable cost by our Company operating within its territory; and (ii) a legal mechanism to allow generating states to levy duty on power produced for equitable distribution of resources generated between consuming and generating states. Our Company is also required to make an annual contribution of 6 paisa per unit of energy towards the environment management fund. Pursuant to the MoU, the first unit (660 MW) is to be tentatively commissioned 42 months after financial closure.

The MoU is valid for a period of three years from June 3, 2008 during which period the MoU will be converted into definitive agreement. The term of the MoU may further be extended on mutual agreement.

B. Angul Project

Memorandum of Understanding between Jindal Steel & Power Limited and Governor of Odisha represented by the Commissioner-cum-Secretary, Energy Department

JSPL entered into a memorandum of understanding with the Governor of Odisha represented by the Commissioner-cum-Secretary, Energy Department (the "**Government**") on February 7, 2009 for setting up a

thermal power plant of 1,320 MW and the associated power generating facilities at Boinda, Angul in the state of Odisha.

Pursuant to the terms of the MoU, the Government has agreed to assist in providing land, making recommendations for captive coal mines or coal linkages and in obtaining major clearances/approvals including the right of way and other facilities like water as per the existing laws and rules. Under the MoU, our Company is required to provide infirm power to the state at variable cost. In the event coal blocks are allocated to the IPP within the state, a nominated agency authorised by the Government shall have the right to purchase 14% of power at variable cost. In the alternative, only 12% of power at variable cost is required to be provided. The balance power can be sold by JSPL to any party outside or inside the state pursuant to contractual arrangements entered into with such buyers. However, if the Government or its nominated agency fails to honor the PPA, JSPL will have the right to sell such power to any other party within and outside the state. Our Company is required to make an annual contribution of 6 paise per unit of energy sent out from the power plant towards environment management fund. However, this contribution is not required to be made for energy sold in the state of Odisha.

The MoU is valid for a period of three years from February 7, 2009 and may be further extended by the Government on a request made by JSPL. The MoU may be terminated by either party on the failure of the other party to fulfill the terms of the MoU or on account of inadequate progress in the implementation of the project without any obligations on the other party with three months' notice in writing or by mutual consent if it is not possible to proceed further with the project. However, the support of the Government towards the project shall be liable to be cancelled on account of non-implementation of the project.

Agreement for Assignment between Jindal Steel & Power Limited and our Company for the Angul Project

JSPL has entered into an agreement of assignment with our Company on November 30, 2009 to assign and transfer the MoU entered into with the Governor of Odisha, represented by the Commissioner-cum-Secretary, Energy Department on February 7, 2009 with respect to setting up of a 1,320 MW thermal power plant at Boinda, Angul, Odisha. Pursuant to the terms of the agreement of assignment, JSPL has agreed to assign and transfer all rights, title, interest, property and benefit with respect to the MoU to our Company absolutely forever.

The assignment is, however, subject to the fulfilment of certain conditions as detailed below:

(i) JSPL is required to obtain consent/no objection letter from the Government of Odisha for the assignment of the MoU;

(ii) JSPL and our Company are required to obtain all necessary corporate authorizations and perform all corporate actions, for the purposes of execution, performance and implementation of the assignment as contemplated in the agreement for assignment.

Pursuant to the terms of agreement of assignment our company is required to pay to JSPL all expenses incurred by JSPL pertaining to the MoU till the date of signing of the agreement i.e., a sum amounting to Rs. 1.03 million.

This agreement may be terminated if (i) either party has committed a material breach of the terms of this agreement and failed to rectify the same within 30 days from receipt of written notice by the breaching party; (ii) non-fulfilment of the conditions precedent within a period of 12 months from the date of assigning and execution of the agreement; and (iii) refusal by the state government or concerned authority to grant no-objection or to transfer any permits, licenses, approvals in favour of our Company.

C. Nepal Project

Survey License for generation of electricity from the Chainpur Seti Hydro Electricity Project

The Department of Electricity Development, Ministry of Energy, Government of Nepal has issued a survey license to our Company for conducting a feasibility and environmental study for generation of hydro electricity at the Chainpur Seti River Hydro Electricity Project of Seti River and Ghat Ganga Stream situated at Melbesaniya, Dhamena, Dhaulichaur, Sunikot, Chainpur, Bhatekhola and Datola Kada village development committees of Bajhang District, Seti Zone in Nepal.

The study is required to be carried out in a manner that shall not affect the waterway of irrigation canal, tunnel and water turbines in the upstream and downstream of the intake of the proposed project. Further, our Company is required to co-operate with other hydro electric projects if similar surveys are being conducted from the downstream or upstream of the intake. Pursuant to the terms of the license, the survey works are required to be carried out within three months and the progress report is required to be submitted at an interval of six months to the Department of Electricity Development. In addition, certain works, including, topographical map of the project area, geo-technical investigation, hydrological studies and preparation of terms of reference for environmental impact assessment study are required to be completed within a period of two years. The survey license can be renewed for an additional period of one year upon completion of the abovementioned works and submission of an application by our Company as per the Electricity Act, 2049 and Electricity Rules, 2050. If the same is not conformed to, the survey license shall be *ipso facto* void.

The feasibility and environmental study is required to be carried out in compliance with "Guidelines for Study of Hydropower Projects, December 2003" issued by the Government of Nepal. Furthermore, the environmental study shall be conducted pursuant to the Environment Protection Act, 2053 and Environment Protection Rules, 2054 and other environmental provisions. The survey license may be amended by mutual agreement between the Ministry of Energy and our Company and is valid from November 18, 2009 to November 18, 2011.

IV. MISCELLANEOUS

Joint Venture Agreement between our Company, Gagan Infraenergy Limited (formerly Gagan Sponge Iron Private Limited) and Mineral Management Services India Private Limited for equity investment in housing colonies construction and sales project

Our Company entered into a joint venture agreement with Gagan Infraenergy Limited (formerly Gagan Sponge Iron Private Limited) ("**Gagan Infraenergy**") and Mineral Management Services India Private Limited ("**Mineral Management**") on July 14, 2008 to establish a company in Nepal for the development and sale of modern housing colonies.

Capital Structure: The authorised capital of the joint venture company shall be NRs. 200 million. The shareholding of our Company, Gagan Infraenergy and Mineral Management in the joint venture company shall be in the ratio of 48:48:4.

Management: The board of directors shall be comprised of three members, one representing each party. The directors shall serve for a term of two years and may be re-nominated and re-elected indefinitely. The management of the joint venture company shall vest on the board of directors as per the memorandum and articles of association of the joint venture company.

Transfer of shares: The parties may assign or transfer its shares in the joint venture company to any third party before the expiration of 12 months after the transfer of shares into the joint venture company upon the unanimous consent of the parties and thereafter in the manner provided below:

(a) If one party desires to sell or dispose off its shares in the joint venture company it shall first offer the shares to other parties at a mutually agreed value or in default of agreement at book value. In the event the other parties do not purchase the said shares within a period of 60 days or refuse to purchase the shares, the selling party is free to transfer its shares provided the terms and conditions of such transfer are similar to that offered earlier.

(b) The third party to whom such shares are transferred shall give a written oath to the other parties that it shall be governed and be bound by the terms and conditions of the agreement and shall assume all obligations of the transferor.

Such transfer of shares shall be subject to the necessary government approval in Nepal.

Termination: The agreement may be terminated by either party if the other party commits a material breach of the agreement and fails to rectify the same within a period of 60 days from the date of receipt of notice requiring the breach to be remedied. In addition, the party at fault shall transfer its shares to the other party or parties or any third party as may be reasonably prescribed by the board of directors of the company.

Trademark License Agreement between JSPL and our Company

Our Company entered into a license agreement with JSPL on December 23, 2009 for use the trademark (logo) . Pursuant to the terms of the license agreement, JSPL has granted the exclusive, non-transferable, royalty free license to our Company to use the logo in connection with the bonafide business of our Company. Our Company is required not to use the logo for any other purpose. The right granted under the license agreement is license rights only and does not constitute an assignment of any of JSPL's rights in the said logo. The license agreement may be terminated by either party by serving a written notice to the other party and the termination shall be effective sixty days after the date such notice is given. However, the license agreement may automatically terminate if, inter alia, (i) our Company attempts to assign, sub-license, transfer or convey any of the rights granted to our Company under the license agreement without JSPL's prior written consent; (ii) if our Company uses the logo in a manner in violation of or inconsistent with the restrictions imposed by the license agreement; and (iii) our Company uses the logo in a manner not expressly permitted by the license agreement.

REGULATIONS AND POLICIES IN INDIA

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from the various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

Power Generation

Background

The development of electricity industry in India was fashioned by two pieces of legislations namely the Indian Electricity Act, 1910 ("**Electricity Act**") and the Electricity (Supply) Act, 1948 (the "**Supply Act**"). The Electricity Act introduced a licensing system for the electricity industry and the Supply Act was responsible for introducing greater state involvement in the industry, facilitating regional co-ordination.

The Supply Act promoted state-owned, vertically integrated units through the creation of the State Electricity Boards ("**SEBs**"), to develop 'Grid System'. Under this legislation, the SEBs were made responsible for generation, transmission and distribution of electricity within the geographical limits of each State of the Indian Union. A government department was responsible for the electricity supply in states where SEBs were not set up. Under the Constitution of India, both the State and Central Governments have the power to regulate the electricity industry.

In the early 1990s, the power sector was liberalized and private participation in the generation sector was permitted by way of amendments in 1991 and 1998 to the Supply Act to open generation to private sector and establishment of regional load dispatch centres ("**RLDCs**") and to provide for private sector participation in transmission.

In 1998, the Electricity Regulatory Commissions Act, 1998 ("**ERC Act**") was enacted by the Central Government. The ERC Act provided for the establishment of independent electricity regulatory commission both at the Central and State levels. These regulatory commissions were set up with the objective of rationalizing the prevailing electricity tariff regime and promoting and regulating the electricity industry in the country.

In view of the growing interest of the foreign investors government has allowed 100% FDI in Generation, Transmission and Distribution.

Salient features of the Electricity Act, 2003

The Electricity Act, 2003 ("**Electricity Act**") is a central unified legislation relating to generation, transmission, distribution, trading and use of electricity, that seeks to replace the multiple legislations that governed the Indian power sector.

The most significant reform initiative under the Electricity Act was the move towards a multi buyer, multi seller system as opposed to the existing structure which permitted only a single buyer to purchase power from power generators. In addition, Electricity Act provides for a greater flexibility and grants the respective electricity regulatory commission's greater freedom in determining tariffs, without being constrained by rate-of-return regulations. The Electricity Act seeks to encourage competition with appropriate regulatory intervention. An Appellate Tribunal to hear appeals against the decision of the CERC and SERCs has been established. However, Electricity Act provided that transmission, distribution and trade of electricity are regulated activities which require licenses from the appropriate electricity regulatory commission, unless exempted by the appropriate government in accordance with the provisions of Electricity Act. It was amended in 2007 to exempt captive power generation plants from licensing requirements for supply to any licensee or consumer. Government has also announced National Electricity Policy in 2005 to guide the development of the electricity sector in India.

Licensing

The Electricity Act stipulates that no person can transmit; or distribute or undertake trading in electricity, unless he is authorised to do so by a licence issued under Section 14, or is exempt under Section 13 of the Electricity Act. The Electricity Act provides for transmission licensee, distribution licensee and licensee for electricity trading. There can be a private distribution licensee as well.

Generation

Currently, under Indian law, any generating company can establish, operate and maintain a generating station if it complies with the technical standards relating to connectivity with grid. Approvals from the Central Government, State Government and the techno-economic clearance from the CEA are no longer required, except for hydroelectric projects. Generating companies are now permitted to sell electricity to any licensees and where permitted by the respective state regulatory commissions, to consumers.

In addition, no restriction is placed on setting up of captive power plant by any consumer or group of consumers for their own consumption. Under the Electricity Act, no surcharge is required to be paid on wheeling of power from the captive plant to the destination of the use by the consumer. This provides financial incentive to large consumers to set up their own captive plants. Through an amendment in 2007, Section 9 was amended to state that no separate license is required for supply of electricity generated from the captive power plant to any licensee or the consumer. The respective regulatory commissions determine the tariff for supply of electricity from a generating company to any distribution licensee, transmission of electricity, wheeling of electricity and retail sale of electricity. The CERC has the jurisdiction over generating companies owned or controlled by Central Government and those generating companies who have entered into or otherwise have a composite scheme for generation and sale in more than one state. The SERCs have jurisdiction over generating stations within the state boundaries, except those under CERC's jurisdiction.

Transmission

Transmission being a regulated activity, involves intervention of various players. The Central Government is responsible for facilitating transmission and supply, particularly, inter-state, regional and inter-regional transmission. The Electricity Act vests the responsibility of efficient, economical and integrated transmission and supply of electricity with the Government of India and empowers it to make region-wise demarcations of the country for the same. In addition, the Central Government will facilitate voluntary inter-connections and coordination of facilities for the inter-state, regional and inter-regional generation and transmission of electricity.

CEA is required to prescribe certain grid standards under the Electricity Act and every transmission licensee must comply with such technical standards of operation and maintenance of transmission lines. In addition, every transmission licensee is required to obtain a license from the CERC and the respective SERCs, as the case may be.

The Electricity Act requires the Central Government to designate one government company as the central transmission utility ("**CTU**"), which would be deemed as a transmission licensee. Similarly, each state government is required to designate one government company as state transmission utility ("**STU**"), which would also be deemed as a transmission licensee. The CTU and STUs are responsible for transmission of electricity, planning and co-ordination of transmission system, providing non-discriminatory open-access to any users and developing a co-ordinated, efficient and integrated inter-state and intra-state transmission system respectively. The Electricity Act prohibits CTU and STU from engaging in the business of generation or trading in electricity.

Under the Electricity Act, the Government of India was empowered to establish the national load dispatch centre ("**NLDC**") and RLDCs for optimum scheduling and despatch of electricity among the RLDCs. The RLDCs are responsible for (a) optimum scheduling and despatch of electricity within the region, in accordance with the contracts entered into with the licensees or the generating companies operating in the region; (b) monitoring grid operations; (c) keeping accounts of the quantity of electricity transmitted through the regional grid; (d) exercising supervision and control over the inter-state transmission system; and (e) carrying out real time operations for grid control and despatch of electricity within the region through secure and economic operation of the regional grid in accordance with the grid standards and grid code.

The transmission licensee is required to comply with the technical standards of operation and maintenance of transmission lines as specified by CEA, building maintaining and operating an efficient transmission system, providing non-discriminatory open access to its transmission system for use by any licensee or generating company on payment of transmission charges and surcharge in accordance with the Electricity Act.

The Electricity Act allows IPPs open access to transmission lines. The provision of open access is subject to the availability of adequate transmission capacity as determined by the Central / State Transmission Utility. The Act also lays down provisions for Intra State Transmission, where state commission facilitate and promote transmission, wheeling and inter-connection arrangements within its territorial jurisdiction for the transmission and supply of electricity by economical and efficient utilisation of the electricity.

Trading

The Electricity Act specifies trading in electricity as a licensed activity. Trading has been defined as purchase of electricity for resale. This may involve wholesale supply (i.e. purchasing power from generators and selling to the distribution licensees) or retail supply (i.e. purchasing from generators or distribution licensees for sale to end consumers). The license to engage in electricity trading is required to be obtained from the relevant electricity regulatory commission.

The CERC, vide notification dated February 16, 2009, issued the CERC (Procedure, Terms and Conditions for grant of trading license and other related matters) Regulations, 2009 (the "**Trading License Regulations**") to regulate the inter-state trading of electricity. The Trading License Regulations define inter-state trading as transfer of electricity from the territory of one state for resale to the territory of another state and includes electricity imported from any other country for resale in any state of India.

In terms of the Trading License Regulations, any person desirous of undertaking inter-state trading in electricity shall make an application to the CERC for the grant of license. The Trading License Regulations set out various qualifications for the grant of license for undertaking electricity trading, including certain technical and professional qualifications, and net worth requirements. An applicant is required to publish notice of his application in daily newspapers to facilitate objections, if any, to be filed before CERC. Further, a licensee is subject to certain conditions including the extent of trading margin, maintenance of records and submission of auditors' report. The existing licensees are required to meet the net worth, current ratio and liquidity ratio criteria within a period up to March 31, 2010 and are required to pay license fee as specified by the CERC, from time to time.

The eligibility criteria include norms relating to capital adequacy and technical parameters. However, the National and Regional Load Dispatch Centres, Central and State Transmission Utilities and other transmission licensees are not allowed to trade in power, to prevent unfair competition. The relevant electricity regulatory commissions also have the right to fix a ceiling on trading margins in intra-state trading.

Distribution and Retail Supply

The Electricity Act does not make any distinction between distribution and retail supply of electricity. Distribution is a licensed activity and distribution licensees are allowed to undertake trading without any separate license. Under the Electricity Act, no license is required for the purposes of supply of electricity. Thus, a distribution licensee can undertake three activities: trading, distribution and supply through one license. The distribution licensee with prior permission of the Appropriate Commission, may engage itself in any other activities for optimal utilisation of its assets.

Unregulated Rural Markets

The licensing requirement does not apply in cases where a person intends to generate and distribute electricity in rural areas as notified by the state government. However, the supplier is required to comply with the requirements specified by the CEA such as protecting the public from dangers involved, eliminating/reducing the risks of injury, notify accidents and failures of transmission and supplies of electricity. It shall also be required to comply with system specifications for supply and transmission of electricity. The Electricity Act mandates formulation of national policies governing rural electrification and local distribution and rural off-grid supply including those based on renewable and other non-conventional energy sources. This policy initiative is expected to give impetus to rural electrification and also conceptualize rural power as a business opportunity.

Tariff Principles

The Electricity Act has introduced significant changes in terms of tariff principles applicable to the electricity industry. Earlier, the rate of return regulation as prescribed in the Sixth Schedule of the Supply Act, which envisaged a two-part tariff, was the basis of tariff determination. Even in the case of state reform acts, this Sixth Schedule was retained as the basis. The Electricity Act has done away with this provision and the two-part tariff mechanism.

Under the Electricity Act, the appropriate electricity regulatory commissions are empowered to determine the tariff for:

- supply of electricity by a generating company to a distribution licensee: Provided that the Appropriate Commission may, in case of shortage of supply of electricity, fix the minimum and maximum ceiling of tariff for sale or purchase of electricity in pursuance of an agreement, entered into between a generating company and a licensee or between licensees, for a period not exceeding one year to ensure reasonable prices of electricity;
- transmission of electricity;
- wheeling of electricity; and
- retail sale of electricity. Provided that in case of distribution of electricity in the same area by two or more distribution licensees, the Appropriate Commission may, for promoting competition among distribution licensees, fix only maximum ceiling of tariff for retail sale of electricity.

The appropriate Electricity Regulatory Commission is required to be guided by the following while determining tariff:

- the principles and methodologies specified by the CERC for determination of the tariff applicable to generating companies and licensees;
- generation, transmission, distribution and supply of electricity are conducted on commercial principles;
- the factors which would encourage competition, efficiency, economical use of the resources, good performance and optimum investments;
- safeguarding consumers interest and also ensure recovery of the cost of electricity in a reasonable manner;
- incorporate principles which reward efficiency in performance;
- multi year tariff principles;
- tariff progressively reflects the cost of supply of electricity, at an adequate and improving level of efficiency;
- that the tariff progressively reduces and eliminates cross subsidies in the manner to be specified by the CERC;
- the promotion of co-generation and generation of electricity from renewable sources of energy; and
- the National Electricity Policy and Tariff Policy.

It is to be noted that unlike the ERC Act, the respective electricity regulatory commissions have not been expressly permitted to depart from the tariff determining factors set out above.

However, the Electricity Act provides that the electricity regulatory commission shall have to adopt such tariff that has been determined through a transparent process of bidding in accordance with the guidelines issued by the Central Government. The Ministry of Power has issued detailed guidelines for competitive bidding as well as draft documentation, power purchase agreements ("**PPA**"), for competitively bid projects.

The determination of tariff for a particular power project would depend on the mode of participation in the project. Broadly, the tariffs can be determined in two ways: (i) based on the tariff principles prescribed by the CERC (costplus basis consisting of a capacity charge, an energy charge, an unscheduled interchange charge and incentive payments); or (ii) competitive bidding route where the tariff is purely market based.

Modes of participation in power projects

GoI announced major policy reforms in October 1991 widening the scope of private sector participation in power generation. The two modes of participating in power projects are either through the MoU route or the

Bidding route. The initial batch of private sector power projects were therefore awarded generally on the basis of negotiation between the SEB and a single developer ("**MoU route**").

MoU Route

The cost determination under the MoU route usually involves:

- determination of receivables of capital cost. The capital costs are required to be approved by a CEA, Government of India;
- approval of interest rates and local and foreign debt;
- finalizing the term of loans and/or or other debt;
- finalizing the extent of foreign exchange protection;
- fixing operating parameters within the prescribed ceilings;
- identifying Deemed Generation provisions;
- evaluating the extent of despatchability;
- evaluating the level of incentive payments;
- identifying change in law in terms of tax or any other matter;
- identifying the extent of working capital permissible;
- evaluating the premium on fuel prices for assured supply;
- identifying fuel supply and transportation risk and issues;
- evaluating escalations in operation and maintenance and insurance expenses permissible;
- evaluating the extent of maintenance of spares permissible; and
- rebates in respect of prompt payment.

The MoU route with a cost plus approach was initially adapted to attract investment. However, there were several complexities in calculating the above costs despite the capital cost of the project being frozen by the CEA. Under the Electricity Act, the CEA does not have the power to determine capital cost for the projects anymore and the requisite filings for approval of capital cost and tariff are with the regulatory commissions.

This cost plus tariff mechanism is not ideally suited for competitive bidding as this would require bidding on every element of cost of generation which becomes difficult to verify and monitor over the life of the PPA. Further, the nature of costs for IPPs is very different from public sector power project costs and in the absence of complete knowledge of cost profile, it would be impossible to design a competitive bidding process based on cost plus approach that is fair to both sides thereby eliciting good investor response. In light of the same, the competitive bid route was envisaged.

Bid Route

Bidding essentially is based on bulk power tariff structure. As noted, under the Electricity Act, the regulatory commission is required to adopt a bid-based tariff, although the Bidding Guidelines permit the bidding authority to reject all price bids received. The Bidding Guidelines recommend bid evaluation on the basis of levelised tariff. The Bidding Guidelines envisages two types of bids: Case I bids, where the location, technology and fuel is not specified by the procurers, i.e. the generating company has the freedom to choose the site and the technology for the power plant; and Case II bids, where the projects are location specific and fuel specific.

Tariff rates for procurement of electricity by distribution licensees (Procurer), to be decided, can be for:

- long-term procurement of electricity for a period of 7 years and above;
- medium term procurement for a period of upto 7 years but exceeding 1 year.

For long-term procurement under tariff bidding guidelines, a two-stage process featuring separate RFQ and RFP stages shall be adopted for the bid process. The procurer may, at his option, adopt a single stage tender process for medium term procurement, combining the RFP and RFQ processes.

Under the bid route, typically the IPPs can bid at two parameters:

- The fixed or capacity charge; and
- The variable or energy charge, which comprises the fuel cost for the electricity generated. Bidders are usually permitted to quote a base price and an acceptable escalation formula.

The Bidding Guidelines envisages a two-step process – pre-qualification and final bid. Bidders are required to submit a technical and financial bid at the RFP stage.

Increasingly, the trend is to have all purchase of power and distribution licenses through competitive bids. The Tariff Policy 2006 requires that all procurement of power after January 6, 2006 (except for PPAs approved or submitted for approval before January 6, 2006 or projects whose financing has been tied up prior to January 6, 2006) by distribution licensees has to be through competitive bidding. Some state regulators have, however, continued to purchase power under the MoU route, stating that the Tariff Policy is merely indicative and not binding.

Policy for setting up of Mega Power Projects

The Mega Power Policy was introduced by Ministry of Power on November 10, 1995, wherein projects with capacity of 1,000 MW and more and catering power to more than one state were classified as mega power projects.

The following conditions are required to be fulfilled by the developer of power projects for grant of Mega Power Project status:

- an inter-state thermal power plant with a capacity of 700 MW or more, located in the States of Jammu and Kashmir, Sikkim, Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland and Tripura; or
- an inter-state thermal power plant of a capacity of 1,000 MW or more, located in States other than those specified in the clause above; or
- an inter-state hydro electricity power plant of a capacity of 350 MW or more, located in the States of Jammu and Kashmir, Sikkim, Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland and Tripura; or
- an inter-state hydro electricity power plant of a capacity of 500 MW or more, located in States other than those specified in the clause above.

Fiscal concessions/benefits available to the Mega Power Projects:

- Zero Customs Duty: The import of capital equipment would be free of customs duty for these projects.
- Deemed Export Benefits: Deemed export benefits are available to domestic bidders for projects both under
- public and private sector on meeting certain requirements.
- Pre-conditions for availing the benefits: Goods required for setting up of any mega power project, qualify for the above fiscal benefits after the project is certified that:
  i. the power purchasing States have granted to the Regulatory Commissions full powers to fix tariffs;
  ii. the power purchasing States undertakes, in principle, to privatize distribution in all cities, in that State, each of which has a population of more than one million, within a period to be fixed by the Ministry of Power.
- Income Tax benefits: In addition, the income-tax holiday regime as per Section 80-IA of the Income Tax Act, 1961 is also available.

Roles of key organisations and players

The roles and functions of certain key organisations and players that operate in the power sector have been set out below:

Central and State Governments

The Electricity Act reserves a significant involvement of the central government in the functioning of the power sector. It has been assigned a number of duties, including planning and policy formulation, rule making, appointing, establishing, designating authority, prescribing duties and other tasks, funding, and issuing directions.

The Central Government designates a CTU and establishes the NLDC, RLDC, the Appellate Tribunal, the Coordination Forum, and the Regulators' Forum. It has the power to vest the property of a CTU in a company or companies and decide on the jurisdiction of benches of the Appellate Tribunal. It also prescribes the duties and functions of the CEA, NLDC and RLDC.

The Central Government is also responsible for the following: a) specifying additional requirements for granting more than one distribution licensee; b) providing no-objection certificates for granting license if the service area includes central government installations such as cantonment, aerodrome, defence area, etc; c) demarcating the country into transmission regions for the purpose of inter-state transmission; d) issuing guidelines for transparent bidding process; e) approving the salary and benefits of the employees of the CEA, CERC and Appellate Tribunal; f) referring cases to the Appellate Tribunal for removal of members of the CERC on the ground of misbehaviour; and g) prescribing the procedures for inquiry into misbehaviour by members.

The state government exercises appointing, designating powers, provides funds and makes rules notifications, etc. It has the powers to appoint or remove members of the SERC including the chairman, to approve the terms and conditions of appointment of the secretary to the SERC and other staff. It is also responsible for constituting the selection committee for appointing members of SERC. It establishes the state load dispatch centre (SLDC), notifies the STU, vests property of STU in companies, draws up reorganisation of the SEB through acquiring its assets and re-vests it through a transfer scheme. It is empowered to constitute special courts, and state coordination forum. The state government creates the SERC fund and can provide loan or grants for running the SERC. It also decides how the SERC should utilize the fund and how it should maintain accounts. The state government can also provide subsidy to consumers, but the Electricity Act requires it to compensate the licensee in advance by the amount of loss expected to be suffered by the licensee in implementing the subsidy. The state government notifies rural areas where exemption of license conditions would apply and issues directions to the SERC on public interest issues.

Central Electricity Authority

The CEA was created under the Supply Act and the Electricity Act retains the agency by relegating it mostly to a consultative role. There was some overlap of duties and power between the CERC and the CEA earlier, which the Electricity Act has now removed. The technical clearance required for power projects under the provisions of the Supply Act has been eliminated, except in cases of hydro projects above a certain capital investment.

Electricity Regulatory Commissions

The Electricity Act retains the two-level regulatory system for the power sector. At the central level, the CERC is responsible for regulating tariff of generating stations owned by the central government, or those involved in generating or supplying in more than one states, and regulating inter-state transmission of electricity. The SERCs on the other hand regulate intra--state transmission and supply of electricity within the jurisdiction of each state. CERC and the SERCs are guided by the National Electricity Policy, Tariff Policy and the National Electricity Plan while discharging their functions under the Electricity Act. The Electricity Regulatory Commissions are also guided by any direction given by the central government for CERC or the state government for the SERC pertaining to any policy involving public interest. The decision of the government is final and non-challengeable with respect to the question that whether directions pertain to policy involving public interest or not. The commissions have been entrusted with a variety of functions including determining tariff, granting licensees, settling disputes between the generating companies and the licensees. The Electricity Regulatory Commissions are a quasi-judicial authority with powers of a civil court and an appeal against the orders of the Commissions lie to the Appellate Tribunal.

Appellate Tribunal

Under the earlier electricity legislations, the High Court was the appellate authority against orders that are passed by the SERC. Under the Electricity Act, the Appellate Tribunal has been set up as an appellate body against orders of the relevant electricity regulatory commissions or adjudicating officers in settling disputes. The Appellate Tribunal has the power to summon, enforce attendance, require discovery and production of documents, receive evidence and review decisions. The orders of the Appellate Tribunal are executable as decrees of a civil court. The orders of the Appellate Tribunal can be challenged in the Supreme Court of India ("**Supreme Court**") by the aggrieved party.

Enforcement Agencies

The roles and functions of certain key enforcement agencies that operate in the power sector have been set out below:

Investigating Authority

The Electricity Regulatory Commissions have the powers to direct any person to investigate the affairs of and undertake inspection of the generating company if there is any failure by the generating company/licensee to comply with the provisions of the Electricity Act or the license, licensee. The Electricity Regulatory Commissions may direct the generating company/licensee to take such action as may be necessary upon receipt of report from such Investigation Authority.

Electrical Inspector

If the relevant government receives a complaint that there has been an accident in connection with the generation, transmission, distribution or supply of electricity or that in case of use of electrical lines or electrical plant, there is a likelihood of injury to human being or animal, it may require an Electrical Inspector to inquire and report as to the cause of the accident and the manner and extent to which the provisions of Electricity Act have been complied with. The Electrical Inspector is vested with the powers of a civil court under the Civil Procedure Code, 1908 for enforcing the attendance of witnesses and compelling the production of documents and material objects.

Foreign Investment Regulation

The industrial policy was formulated in 1991 to implement the Government's liberalisation programme and consequently industrial policy reforms relaxed industrial licensing requirements and restrictions on foreign investment.

The procedure for investment in the power sector has been simplified for facilitating FDI. FDI is allowed under the automatic route for 100 % in respect of projects relating to electricity generation, transmission and distribution, other than atomic reactor power plants. There is no limit on the project cost and the quantum of FDI.

Indian Energy Exchange for Online Trading in Electricity

Indian Energy Exchange ("**IEX**") is India's first nationwide, automated, and online electricity trading platform. The exchange is planned to be operational in 2008. Approved by CERC on August 31, 2007, the exchange would enable efficient price discovery and price risk management in the electricity market besides providing benefits like transparency and cost efficiency to its members. In February 2007, the CERC issued guidelines for grant of permission to set up power exchanges in India. The exchange is conceived to catalyse modernisation of electricity trade in the country by ushering in a transparent and neutral market through technology-enabled electronic trading platform.

Mining Laws

The Mines and Minerals (Development and Regulations) Act, 1957, as amended ("**MMDR Act**"), the Mineral Concession Rules, 1960, as amended, ("**MC Rules**"), and the Mineral Conservation and Development Rules, 1988, as amended, ("**MCD Rules**"), govern mining rights and the operations of mines in India. The MMDR Act was enacted to provide for the development and regulation of mines and minerals under the control of India and it lays down the substantive law pertaining to the grant, renewal and termination of reconnaissance, mining and prospecting licenses. The MCD Rules outline the procedures for obtaining a prospecting license or the mining lease, the terms and conditions of such licenses and the model form in which they are to be issued. The MCD Rules lay down guidelines for ensuring mining is carried out in a scientific and environmentally friendly manner.

The GoI announced the National Mineral Policy in 1993, which was amended in 2008, to sustain and develop mineral resources so as to ensure their adequate supply for the present needs and future requirements of India in a manner which will minimize the adverse effects of mineral development on the forest, environment and ecology through appropriate protective measures. The aim of the National Mineral Policy is to achieve zero

waste mining and the extraction and utilization of the entire run of mines within a framework of sustainable development through the establishment of a resource inventory and registry, manpower development through education and training, infrastructure development in mineral bearing areas and the facilitation of financial support for mining. At the same time, the GoI also made various amendments to India's mining laws and regulations to reflect the principles underlying the National Mineral Policy.

Hydro power

The National Hydro Power Policy, 2008

The National Hydro Power Policy was notified by the GoI, setting out the following objectives: (a) inducing private investment in hydropower development; (b) harnessing the balance hydroelectric potential; (c) improving resettlement and rehabilitation; and (d) facilitating financial viability. The salient features of this policy are set forth below:

(a) The existing dispensation available to the public sector regarding exemption from tariff based bidding up to January 2011 is extended to private sector hydroelectric projects;

(b) State governments would be required to follow a transparent procedure for awarding potential sites to the private sector;

(c) The concerned private developer would be required to following the existing procedure, including getting the DPR prepared, obtaining concurrence of the CEA/State government, obtaining environment, forest and other statutory clearance and then approach the appropriate regulator. It would be obligatory for the developers to go through an international competitive bidding process for award of contract for supply of equipment and construction of the project either through a turnkey contract or through a few well defined packages;

(d) Tariff of the project would be decided by the appropriate commission;

(e) Special incentive for merchant sales of up to 40% of the saleable energy is envisaged for the project(s) meeting the time lines;

(f) An additional 1% free power from the project would be provided and earmarked for local area development fund, aimed at providing a regular stream of revenue for income generation and welfare schemes, creation of additional infrastructure and common facilities on a sustained and continued basis over the life of the project. It is further recommended that the host State government would also provide a matching 1% from their share of 12% free power towards this corpus fund. This fund could be operated by a standing committee headed by an officer of the State government not lower than a district magistrate;

(g) For 10 years from the date of commissioning of the project, 100 units of electricity per month would be provided by the project developer to each project affected family through the relevant distribution company;

(h) In the interest of speedy implementation of hydroelectric projects, it is proposed that the Resettlement and Rehabilitation package should be more liberal than the National Resettlement and Rehabilitation Policy, 2007.

The National Water Policy, 2002

The National Water Policy, notified in 1987 was significantly amended and notified in 2002 by the Ministry of Water Resources, GoI. The National Water Policy notes that water allocation priorities should be broadly as follows: drinking water; irrigation; hydropower; ecology; agro-industries and non-agricultural industries; and navigation and other uses. However, the priorities could be modified or added to, if warranted by region specific considerations. The National Water Policy states that water resource development projects should, as far as possible, be planned and developed as multipurpose projects, with an integrated and multi-disciplinary approach to the planning, formulation, clearance and implementation of projects, including catchment area treatment and management, environmental and ecological aspects, the rehabilitation of affected people and command area

development. Planning of projects and economic evaluation of projects in hilly areas should take into account, *inter alia*, possibilities of hydropower development.

Private sector participation should be encouraged in planning, development and management of water resources projects for diverse uses, wherever feasible. Private sector participation may help in introducing innovative ideas, generating financial resources, introducing corporate management and improving service efficiency and accountability to users. Various combinations of private sector participation, in building, owning, operating, leasing and transferring of water resources facilities, may be considered. Water sharing/distribution among the States should be guided by a national perspective with due regard to water resources availability and needs within the river basin. The National Water Policy recommends that the Inter-State Water Disputes Act, 1956, be amended for timely adjudication of water disputes referred to the Tribunal, respective States should formulate their own Water Policies backed by operational action plans in a time bound manner, and that States should evolve their own detailed resettlement and rehabilitation policies for the sector, taking into account the local conditions.

Accelerated Power Development and Reform Programme

Accelerated Power Development and Reform Programme ("**APDRP**") has been formulated by the MoP, GoI in the year 2000-01 with the objective of achieving financial turnaround in the performance of the power sector utilities, especially in the area of distribution. Earlier its name was Accelerated Power Development Programme which was changed to APDRP in the year 2002-03. Funds disbursed under APDRP are used to implement specific projects relating to up-gradation and strengthening of sub-transmission and distribution network including energy accounting and metering, renovation and modernization of sub-stations, consumer indexing, SCADA, computerized billing etc. In this scheme priority is given to the states that have committed themselves to a time-bound programme of reforms as elaborated in the Memorandum of Understanding and Memorandum of Agreement and are progressing on those commitments.

Environmental Regulations

The Company has to comply with the provisions of the Environmental Protection Act, 1986, Water (Prevention and Control of Pollution) Act, 1974 (the "**Water Act**"), the Air (Prevention and Control of Pollution) Act, 1981 (the "**Air Act**"), the Hazardous Waste (Management and Handling) Rules, 1989 and the relevant Forest Conservation Acts.

The Environment (Protection) Act, 1986 (the "EPA")

The EPA is an umbrella legislation in respect of the various environmental protection laws in India. The EPA vests the Government of India with the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for *inter alia*, laying down the quality of environment, standards for emission of discharge of environment pollutants from various sources, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. Penalties for violation of the EPA include fines up to Rs. 100,000 or imprisonment of up to five years, or both.

There are provisions with respect to certain compliances by persons handling hazardous substances, furnishing of information to the authorities in certain cases, establishment of environment laboratories and appointment of Government analysts.

The Environment Impact Assessment Notification S.O. 1533(E), 2006 (the "EIA Notification")

The EIA Notification issued under the EPA and the Environment (Protection) Rules, 1986, as amended, provides that the prior approval of the Ministry of Environment and Forests or State Environment Impact Assessment Authority, as the case may be, is required for the establishment of any new project and for the expansion or modernisation of existing projects specified in the EIA Notification. The EIA Notification states that obtaining of prior environmental clearance includes a maximum of four stages, i.e., screening, scoping, public consultation and appraisal.

An application for environmental clearance is made after the identification of prospective site(s) for the project and/or activities to which the application relates but before commencing any construction activity, or preparation of land, at the site by the applicant. Certain projects which require approval from the State

Environment Impact Assessment Authority may not require an Environment Impact Assessment Report. For projects that require preparation of an Environment Impact Assessment Report public consultation involving both public hearing and written response is conducted by the State Pollution Control Board. The appropriate authority makes an appraisal of the project only after a Final EIA Report is submitted addressing the questions raised in the public consultation process.

The prior environmental clearance granted for a project or activity is valid for a period of ten years in the case of river valley projects, project life as estimated by Expert Appraisal Committee or State Level Expert Appraisal Committee subject to a maximum of 30 years for mining projects and five years in the case of all other projects and activities. This period of validity may be extended by the regulatory authority concerned by a maximum period of five years.

The mining of minerals in a leased area of 50 hectares or more; coal or lignite based thermal power plants with a capacity of 500 MW or more; and hydro-electric power plants with a capacity of 50 MW or more, requires clearance from the Ministry of Environment and Forests. The mining of minerals in a leased area of five hectares or more, but less than 50 hectares; coal or lignite based thermal power plants with a capacity of more than 50 MW, but less than 500 MW; and hydro-electric power plants with a capacity of 25 MW or more, but less than 50 MW requires clearance from State Environment Impact Assessment Authority.

The Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, which is empowered to establish standards and conditions that are required to be complied with. In certain cases the State Pollution Control Board may cause the local Magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the Water Act include imposition of fines or imprisonment or both.

The Central Pollution Control Board has powers, *inter alia*, to specify and modify standards for streams and wells, while the State Pollution Control Boards have powers, *inter alia*, to inspect any sewage or trade effluents, and to review plans, specifications or other data relating to plants set up for treatment of water, to evolve efficient methods of disposal of sewage and trade effluents on land, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry likely to pollute a stream or a well, to specify standards for treatment of sewage and trade effluents, to specify effluent standards to be complied with by persons while causing discharge of sewage, to obtain information from any industry and to take emergency measures in case of pollution of any stream or well.

A central water laboratory and a state water laboratory have been established under the Water Act.

The Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act")

Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. The State Pollution Control Board is required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board. The penalties for the failure to comply with the provisions of the Air Act include imprisonment of up to six years and the payment of a fine as may be deemed appropriate. If an area is declared by the State Government to be an air pollution control area, then, no industrial plant may be operated in that area without the prior consent of the State Pollution Control Board.

Under the Air Act, the Central Pollution Control Board has powers, *inter alia*, to specify standards for quality of air, while the State Pollution Control Boards have powers, *inter alia*, to inspect any control equipment, industrial plant or manufacturing process, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry and to obtain information from any industry.

The Hazardous Wastes (Management and Handling) Rules, 1989 (the "Hazardous Wastes Rules")

The Hazardous Wastes Rules aim to regulate the proper collection, reception, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose such waste without adverse effect on the environment, including through the proper collection, treatment, storage and disposal of such waste. Every occupier and operator of a facility generating hazardous waste must obtain an approval from the Pollution Control Board. The occupier, the transporter and the operator are liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste. The operator and the occupier of a facility are liable for any fine that may be levied by the respective State Pollution Control Boards. Penalty for the contravention of the provisions of the Hazardous Waste Rules includes imprisonment up to five years and imposition of fines as may be specified in the EPA or both.

The Company is required to obtain and maintain statutory clearances relating to Pollution Control and Environment in relation to its power projects.

Kyoto Protocol and Carbon Credits

The Kyoto Protocol is a protocol to the International Framework Convention on Climate Change with the objective of reducing greenhouse gases (GHG) that cause climate change. The Kyoto Protocol was agreed on December 11, 1997 at the third conference of the parties to the treaty when they met in Kyoto, and entered into force on February 16, 2005. India ratified the Kyoto Protocol on August 22, 2006.

The Kyoto Protocol defines legally binding targets and timetables for reducing the GHG emissions of industrialized countries that ratified the Kyoto Protocol.

Governments have been separated into developed nations (who have accepted GHG emission reduction obligations) and developing nations (who have no GHG emission reduction obligations). The protocol includes 'flexible mechanisms' which allow developed nations to meet their GHG emission limitation by purchasing GHG emission reductions from elsewhere. These can be bought either from financial exchanges, from projects which reduce emissions in developing nations under the CDM, the Joint Implementation scheme or from developed nations with excess allowances.

Typical emission certificates are:

- Certified Emission Reduction (CER);
- Emission Reduction Unit (ERU); and
- Voluntary or Verified Emission Reductions (VER).

CERs and ERUs are certificates generated from emission reduction projects, under the CDM for projects implemented in developing countries, and under Joint Implementation ("**JI**") for projects implemented in developed countries, respectively. These mechanisms are introduced within the Kyoto Protocol. For projects which cannot be implemented as CDM or JI, but still fulfill the required standards, VERs can be generated. VERs, however, cannot be used for compliance under the Kyoto Protocol.

Labor Laws and Regulations

Depending upon the nature of the activity undertaken by our Company, applicable labor laws and regulations include the following:

- The Contract Labour (Regulation and Abolition) Act, 1970;
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- The Employees' State Insurance Act, 1948;
- The Factories Act, 1948;
- The Industrial Disputes Act, 1947;
- The Payment of Wages Act, 1936;
- The Workmen's Compensation Act, 1923;
- The Minimum Wages Act, 1948;
- The Payment of Bonus Act, 1965; and

- The Payment of Gratuity Act, 1972;

The Factories Act, 1948, as amended (the "Factories Act")

The Factories Act defines a 'factory' to be any premise which employs or employed on any day in the previous twelve months, ten or more workers and in which a manufacturing process is being carried on with the aid of power or any premises where there are or were in the previous twelve months, at least twenty workers working even though there is no manufacturing process being carried on with the aid of power. State Governments prescribe rules with respect to the prior submission of plans, their approval for the establishment of factories and the registration and licensing of factories.

The Factories Act provides that 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) shall ensure the health, safety and welfare of all workers while they are at work in the factory, especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers' health and safety, cleanliness and safe working conditions.

If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment for a term up to two years or with a fine up to Rs. 100,000 or with both, and in case of contravention continuing after conviction, with a fine of up to Rs. 1,000 per day of contravention. In case of a contravention which results in an accident causing death or serious bodily injury, the fine shall not be less than Rs. 25,000 in the case of an accident causing death, and Rs. 5,000 in the case of an accident causing serious bodily injury.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as "Jindal Power Limited" on January 30, 1995 under the Companies Act with the RoC, Madhya Pradesh and Chhattisgarh, Gwalior ("**RoC**"). Our Company received the certificate for commencement of business from the RoC on April 27, 1995.

Our Company is engaged in the business of developing, constructing and operating power plants. We began developing our 1,000 MW power project in Madhya Pradesh, now Chhattisgarh in 1996. However, we were unable to continue developing this project due to lack of escrow availability with the Madhya Pradesh Electricity Board. However, after the deregulation of the power industry in India pursuant to the Electricity Act of 2003, we revived our 1,000 MW power project and recommenced the implementation of our first power project. We commenced the commercial operation of the first 250 MW unit of our Tamnar I Project in December 2007. For details relating to our Company's business activities, operations and growth, location of plants, capacity built-up, technology, competition, major suppliers and customers, environmental issues, see "***Our Business***" on page 71. For details relating to the management of our Company, see "***Our Management***" on page 135.

There has been no change in the activities being carried out by our Company since its incorporation. As on the date of this Draft Red Herring Prospectus, the total number of holders of Equity Shares of our Company is 11.

Our Company is not operating under any injunction or restraining order.

Changes in Registered Office

At the time of incorporation our registered office was situated at Kharsia Road, Post Box No. 16, Raigarh 496 001, Chhattisgarh, India. Thereafter, pursuant to a special resolution passed at the extraordinary general meeting of shareholders on November 23, 2009, our registered office was shifted to Jindal Power Limited, Tamnar 496 107, District Raigarh, Chhattisgarh, India w.e.f. December 1, 2009 for administrative and operational efficiency.

Key Events

Month, Year	Key Events
January, 1995	Incorporation of our Company
June, 2005	Our Company becomes a subsidiary of JSPL
	'Mega' status conferred on our 1,000 MW thermal power plant at Raigarh, Chhattisgarh by the Ministry of Power, GoI
August, 2005	Achieved financial closure of Phase I of our 1,000 MW power project
April, 2007	Achieved financial closure of Phase II of our 1,000 MW power project
December, 2007	First 250 MW unit of the 1,000 MW (Phase I) power plant at Raigarh, Chhattisgarh commissioned
April, 2008	First 250 MW unit of the 1,000 MW (Phase II) power plant at Raigarh, Chhattisgarh commissioned
June, 2008	Second 250 MW unit of the 1,000 MW (Phase I) power plant at Raigarh, Chhattisgarh commissioned
	Incorporation of our subsidiary, Jindal Power Transmission Limited
August, 2008	Incorporation of our subsidiary, Jindal Power Distribution Limited
September, 2008	Second 250 MW unit of the 1,000 MW (Phase II) power plant at Raigarh, Chhattisgarh commissioned taking the fully commissioned installed capacity to 1,000 MW
	Jindal Hydro Power Limited becomes our subsidiary
May, 2009	Chhattisgarh Energy Trading Company Limited becomes our subsidiary
	Incorporation of our subsidiary, Etalin Hydro Electric Power Company Limited
	Incorporation of our subsidiary, Attunli Hydro Electric Power Company Limited

For details in relation to the rescheduling of our borrowings with banks/financial institutions, see "***Financial Indebtedness***" on page 183.

Awards and Recognitions

Our Company has received the following awards and recognitions:

Year	Award/Recognition
2008	• Prize for safety management plan under Group - E (Mega Projects) at the Annual Coal Mines Safety Fortnight 2008 hosted by the South Eastern Coalfields Limited and All Private Captive Coal Mines of Bilaspur and Jabalpur region
	• Prize for dust suppression under Group - E (Mega Projects) at the Annual Coal Mines Safety Fortnight 2008 hosted by the South Eastern Coalfields Limited and All Private Captive Coal Mines of Bilaspur and Jabalpur region
	• Prize (special award) for coal loading and transport in OC Mines under Group - E (Mega Projects) at the Annual Coal Mines Safety Fortnight 2008 hosted by the South Eastern Coalfields Limited and All Private Captive Coal Mines of Bilaspur and Jabalpur region

Certifications

Our Company has received the following certifications:

Year	Award/Recognition
2009	• Certificate of Registration (Certificate No. CI/10752) to our Company for the O.P. Jindal Super Thermal Power Plant, Tamnar, Raigarh, Chhattisgarh for operating a quality management system conforming to ISO 9001:2000 for generation of electricity by operating coal based thermal power plant (4x250 MW) and transmission of power to grid by the Certification International (UK) Limited
	• Certificate of Registration (Certificate No. CI/10752E) to our Company for the O.P. Jindal Super Thermal Power Plant, Tamnar, Raigarh, Chhattisgarh for operating an environmental management system conforming to ISO 14001:2004 for generation of electricity by operating coal based thermal power plant (4x250 MW) and transmission of power to grid by the Certification International (UK) Limited
	• Certificate of Registration (Certificate No. CI/10752HS) to our Company for the O.P. Jindal Super Thermal Power Plant, Tamnar, Raigarh, Chhattisgarh for operating a safety management system conforming to OHSAS 18001:2007 for generation of electricity by operating coal based thermal power plant (4x250 MW) and transmission of power to grid by the Certification International (UK) Limited

Main Objects

The main objects of our Company, as contained in the Memorandum of Association, are:

1. To establish, operate, maintain electricity generating station and its associated coal mines and to carry on all or any of the business of purchasers, generators, suppliers, distributors, transformers, converters, transmitters, producers, manufacturers processors, developers, storers, Licensors and Licenses carriers, importers and exporters of and dealers in, electricity and any products or by-products derived therefrom including steam, water, oil, gas, wind vapour, fly ashes, coal coke, lignite dolomite and any other business connected with energy, heat, solar, wind, hydro, wave, tidal geothermal, and biological.

2. To carry on all or any of the business of procurers, suppliers, distributors, converters, producers, processors, developers, miners, extractors, excavators, explorers, storers, carriers, importers and exporters of and dealers in coal, coke, dolomite, lignite, hydrocarbon fuels, water, oil, gas vapour steam, fly ash wind, fuel handling equipment and machinery and fuel handling facilities, thereto and any products or by products derived there from including distillate fuel oil and natural gas whether in liquid or vapourised form.

The main objects as contained in the Memorandum of Association enable us to carry on the business that are presently carried out, as well as the businesses we propose to carry out.

For details relating to our business and operations, see "***Our Business***" and "***Financial Statements***" on pages 71 and F1, respectively.

Amendments to our Memorandum of Association

Since our incorporation, the following changes have been made to our Memorandum of Association.

Date of Shareholder resolution	Nature of Amendment
October 27, 2003	Clause V of the Memorandum of Association was replaced by the following: *"The authorised share capital of the Company is Rs. 20,00,00,000 (Rupees Twenty Crores) divided into 2,00,00,000 (Two Crore) Equity Shares of Rs. 10 (Rupees Ten each) each".*
August 11, 2004	Clause V of the Memorandum of Association was replaced by the following: *"The authorised share capital of the Company is Rs. 15,00,00,00,000 (Rupees One Thousand Five Hundred Crores only) divided into 1,00,00,00,000 (One Hundred Crores) Equity Shares of Rs. 10 (Rupees Ten only) each and unclassified share capital of Rs. 5,00,00,00,000 (Rupees Five Hundred Crores only) to be issued as Equity Shares and/or preference shares of such denomination as the Company may decide."*
September 5, 2009	Clause V of the Memorandum of Association was replaced by the following: *"The Authorized Share Capital of the Company is Rs. 30,00,00,00,000 (Rupees Three Thousand Crore only) divided into 3,00,00,00,000 (Three Hundred Crore) Equity Shares of Rs.10 (Rupees Ten only) each".*

Assignment

Our Company has entered into assignment agreements with JSPL, subject to receipt of all applicable regulatory approvals, for assignment of the Dumka Project, the Godda Project and the Angul Project. These projects were previously being developed by JSPL but are in the process of being assigned to our Company. For further details, see "***Our Business***", "***Description of Certain Key Contracts***" and "***Government and Other Approvals***" on pages 71, 96 and 245, respectively.

Reorganization

On June 1, 2009, our Board approved the sale of shares held by our Company in two of our Subsidiaries, namely, Power Plant Engineers Limited ("**PPEL**") and Jindal Petroleum Limited ("**Jindal Petroleum**").

Thereafter, our Company sold 24,800 equity shares each held by it in PPEL to Abhinandan Investment Limited at a consideration of Rs. 0.25 million and Mansarovar Investment Limited at a consideration of Rs. 0.25 million pursuant to two separate agreements of sale and purchase of shares dated June 30, 2009.

In addition, our Company sold 20,723,000, 20,113,500 and 20,113,500 equity shares each held by it in Jindal Petroleum to Abhinandan Investment Limited at a consideration of Rs. 207.23 million, Mansarovar Investment Limited at a consideration of Rs. 201.14 million and Stainless Investment Limited at a consideration of Rs. 201.14 million pursuant to three separate agreements of sale and purchase of shares dated June 30, 2009.

Consequently, the entire holding of our Company in PPEL (i.e. 99.20% of its share capital) and in Jindal Petroleum (i.e. 99.92% of its share capital) were transferred.

Our Holding Company

One of our Promoters, JSPL, is also our holding company. For further details, see "***Our Promoters and Group Companies***" on page 155.

Our Subsidiaries

Our Company has six Subsidiaries in all. None of the Subsidiaries has made any public or rights issue in the last three years and have not become sick companies under the meaning of SICA and are not under winding up.

1. Jindal Power Transmission Limited

Jindal Power Transmission Limited ("**JPTL**") was incorporated on June 23, 2008 under the Companies Act. JPTL is authorised to engage in the business of generation, transmission, distribution, buying and supply of electricity and energy, whether conventional or non-conventional, and laying of transmission lines.

The authorised share capital of JPTL is Rs. 50 million divided into 5 million equity shares of Rs. 10 each and the paid up capital of JPTL is Rs. 0.5 million divided into 50,000 equity shares of Rs. 10 each. Our Company holds 49,400 equity shares in JPTL i.e. 98.80% of the issued and paid up capital of JPTL.

2. Jindal Power Distribution Limited

Jindal Power Distribution Limited ("**JPDL**") was incorporated on August 27, 2008 under the Companies Act. JPDL is authorised to engage in the business of distribution, transmission, generation, buying and supplying of electricity and energy whether conventional or non-conventional.

The authorised share capital of JPDL is Rs. 10 million divided into 1 million equity shares of Rs. 10 each and the paid up capital of JPDL is Rs. 0.5 million divided into 50,000 equity shares of Rs. 10 each. Our Company holds 49,400 equity shares in JPDL i.e. 98.80% of the issued and paid up capital of JPDL.

3. Chhattisgarh Energy Trading Company Limited

Chhattisgarh Energy Trading Company Limited ("**CETCL**") was incorporated on August 17, 2004 as 'Chhattisgarh Energy Trading Company Private Limited' under the Companies Act. CETCL is authorised to engage in the business of trading, distribution, supply, generation, transmission, of electricity, power and energy whether conventional or non-conventional.

Our Company acquired 6,030,000 equity shares of CETCL from JSPL for a consideration of Rs. 60.30 million. The effective date of transfer of shares was May 2, 2009.

The authorised share capital of CETCL is Rs. 80 million divided into 8 million equity shares of Rs. 10 each and the paid up capital of CETCL is Rs. 76 million divided into 7.60 million equity shares of Rs. 10 each. Our Company holds 6.03 million equity shares in CETCL i.e. 79.34% of the issued and paid up capital of CETCL.

4. Jindal Hydro Power Limited

Jindal Hydro Power Limited ("**JHPL**") was incorporated on May 1, 2008 as 'JSPL Hydro Power Limited' under the Companies Act. JHPL is authorised to engage in the business of setting up, constructing, building, acquiring, operating, managing and maintaining hydro electric power plants and generation, transmission, distribution, supply, purchase and sale of hydro electricity/energy.

Our Company acquired 49,400 equity shares of JHPL from JSPL for a consideration of Rs. 0.49 million. The effective date of transfer of shares was September 12, 2008.

The authorised share capital of JHPL is Rs. 50 million divided into 5 million equity shares of Rs. 10 each and the paid up capital of JHPL is Rs. 0.50 million divided into 50,000 equity shares of Rs. 10 each. Our Company holds 49,400 equity shares in JHPL i.e. 98.80% of the issued and paid up capital of JHPL.

5. Etalin Hydro Electric Power Company Limited

Etalin Hydro Electric Power Company Limited ("**Etalin Hydro**") was incorporated on May 16, 2009 under the Companies Act as a joint venture with Hydro Power Development Corporation of Arunachal Pradesh Limited ("**HPDCAPL**") pursuant to a joint venture agreement dated December 8, 2008. For details, see "***Description of Certain Key Contracts***" on page 96. Etalin Hydro is authorised to engage in the business of setting up, constructing, building, acquiring, operating, managing, maintaining, hydroelectric power plants, and to carry on the business of generation, transmission, distribution, supply, purchase and sale of hydro electricity/energy.

The authorised share capital of Etalin Hydro is Rs. 50 million divided into 5 million equity shares of Rs. 10 each and the subscribed capital of Etalin Hydro is Rs. 10 million divided into 1 million equity shares of Rs. 10 each. However, the paid-up capital of Etalin Hydro is Rs. 7.4 million which is held by the Company along with its nominees. Our Company holds 74.00% of the subscribed capital of Etalin Hydro.

6. Attunli Hydro Electric Power Company Limited

Attunli Hydro Electric Power Company Limited ("**Attunli Hydro**") was incorporated on May 19, 2009 under the Companies Act as a joint venture with HPDCAPL pursuant to a joint venture agreement dated December 8,

2008. For details, see "***Description of Certain Key Contracts***" on page 96. Attunli Hydro is authorised to engage in the business of setting up, constructing, building, acquiring, operating, managing, maintaining, hydroelectric power plants, and to carry on the business of generation, transmission, distribution, supply, purchase and sale of hydro electricity/energy.

The authorised share capital of Attunli Hydro is Rs. 50 million divided into 5 million equity shares of Rs. 10 each and the subscribed capital of Attunli Hydro is Rs. 10 million divided into 1 million equity shares of Rs. 10 each. However, the paid-up capital of Attunli Hydro is Rs. 7.4 million which is held by the Company along with its nominees. Our Company holds 74.00% of the subscribed capital of Attunli Hydro.

Accumulated profits or losses of the Subsidiaries not accounted for by our Company as on June 30, 2009 are set forth below.

S. No.	Name of Subsidiary	% of Company's holding	% of Minority holding	Amount of accumulated profits or losses not accounted for by the Company
1.	Jindal Power Transmission Limited	98.80%	1.20%	-*
2.	Jindal Hydro Power Limited	98.80%	1.20%	-*
3.	Jindal Power Distribution Limited	98.80%	1.20%	-*
4.	Chhattisgarh Energy Trading Company Limited	79.34%	20.66%	Rs. 0.39 million
5.	Attunli Hydro Electric Power Company Limited	74%	26.00%	-*
6.	Etalin Hydro Electric Power Company Limited	74%	26.00%	-*

** Since the company has not commenced any business operations, no profit and loss account has been prepared until date.*

Joint Venture

Synergy Infrastructures Private Limited

Synergy Infrastructures Private Limited ("**Synergy Infrastructures**") was incorporated on October 22, 2008 under the Companies Act, 2006 of Nepal in Nepal pursuant to a joint venture agreement dated July 14, 2008. For details see "***Description of Certain Key Contracts***" on page 96. Synergy Infrastructures is authorised to engage in the business of developing and selling housing colonies.

The authorised share capital of Synergy Infrastructures is Nepalese Rupees 200 million divided into 2 million equity shares of Nepalese Rupees 100 each and the subscribed share capital is Nepalese Rupees 10 million divided into 0.10 million equity shares of Nepalese Rupees 100 each.

Our Company is committed to subscribe 48.00% of the subscribed capital of Synergy Infrastructures.

Shareholders' Agreements

Our Company is not a party to any shareholders' agreements.

Joint Venture Agreements

Our Company has entered into three separate joint venture agreements with HPDCAPL for the development of the Etalin, Attunli and Subansiri Middle projects in Arunachal Pradesh. For details, see "***Description of Certain Key Contracts***" on page 96.

Strategic Partners

Our Company does not have any strategic partners.

Financial Partners

Apart from the various arrangements with bankers and lenders which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners.

OUR MANAGEMENT

Our Articles of Association require us to have not less than three and not more than 18 Directors. We presently have 12 Directors which include our Non-executive Chairman, four whole-time Directors, one non-executive Director and six independent Directors.

The following table sets out the current details regarding our Board as on the date of the filing of this Draft Red Herring Prospectus:

Name, Designation, Occupation, Term and DIN	Age (years)	Address	Other Directorships
Mr. Naveen Jindal **Designation**: Non-executive Chairman **Occupation**: Industrialist **Term**: Liable to retire by rotation **DIN**: 00001523	39	6, Prithvi Raj Road, New Delhi 110 011, India	**Indian Companies** i. JSPL; ii. JSL Limited; iii. Nalwa Farms Private Limited; iv. Salasar Finvest Limited; v. Jindal Synergy Investment Limited; and vi. Jindal Petroleum Limited. **Foreign Companies** Nil
Dr. Rajendra Prasad Singh **Designation**: Vice Chairman and Managing Director **Occupation**: Service **Term**: Appointed as Vice Chairman and Managing Director for a period of five years w.e.f. February 23, 2009 and liable to retire by rotation **DIN**: 00004812	61	A-1, PWO, Hriday Deep, Sector 43, Gurgaon 122 002, Haryana, India	**Indian Companies** i. Attunli Hydro Electric Power Company Limited; ii. Etalin Hydro Electric Power Company Limited; and iii. Bajaj Electricals Limited. **Foreign Companies** Nil
Mr. Sushil Kumar Maroo **Designation**: Deputy Managing Director **Occupation**: Service **Term**: Appointed as Deputy Managing Director for a period of five years w.e.f. June 18, 2008 and liable to retire by rotation. **DIN**: 00054101	48	C-20, Pamposh Enclave, Greater Kailash Part – I, New Delhi 110 048, India	**Indian Companies** i. JSPL; ii. Nalwa Steel and Power Limited ("**NSPL**"); iii. Gagan Infraenergy; iv. Chhattisgarh Energy Trading Company Limited; v. Gagan Power Limited; vi. MMS Energy Limited; vii. Uttam Vidyut Transmission Private Limited; viii. Shresht Mining and Metals Private Limited; ix. Jindal Rex Exploration Private Limited; x. Jindal Power Transmission Limited; xi. Jindal Power Distribution Limited; xii. Jindal Hydro Power Limited; xiii. Jindal Petroleum Limited; xiv. Jindal Synfuels Limited (formerly, Jindal Coal to

Name, Designation, Occupation, Term and DIN	Age (years)	Address	Other Directorships
			Liquid Limited); xv. Power Plant Engineers Limited; xvi. Etalin Hydro Electric Power Company Limited; and xvii. Attunli Hydro Electric Power Company Limited. **Foreign Companies** i. Worth Overseas Limited; ii. Jindal Minerals & Metals Africa Limited; iii. Jindal Petroleum (Georgia) Limited; iv. Jindal Petroleum (Mauritius) Limited; v. Jindal Africa Investments (Pty) Limited; vi. Jindal Mining & Exploration Limited; vii. Jindal Investment Holdings Limited; and viii. Jindal Petroleum Operating Company LLC.
Mr. Pradip Kumar Chakraborty **Designation**: Whole-time Director **Occupation**: Service **Term**: Appointed as whole-time Director w.e.f. March 1, 2009 to November 23, 2011 and liable to retire by rotation **DIN**: 00076630	60	C-18, Urja Nagar Colony, Jindal Power Limited, P.O. Tamnar, Raigarh, Chhattisgarh, India	**Indian Companies** Nil **Foreign Companies** Nil
Mr. Kishore Kumar Sinha **Designation**: Whole-time Director **Occupation**: Service **Term**: Appointed as whole-time Director for a period of five years w.e.f. November 16, 2008 and liable to retire by rotation **DIN**: 01358221	62	Flat No. GA 67, NTPC Anandam, Pocket P-6, Builders Area, Greater Noida, Gautam Budh Nagar 201 308, Uttar Pradesh, India	**Indian Companies** Nil **Foreign Companies** Nil
Mr. Anand Goel **Designation**: Non-executive Director **Occupation**: Service **Term**: Liable to retire by rotation	57	B-3/15, Safdarjung Enclave, New Delhi 110 029, India	**Indian Companies** i. JSPL; ii. Opelina; iii. Minerals Management Services (India) Limited; iv. Gagan Power Limited; v. MMS Energy Limited; vi. Jindal Coal Private Limited;

Name, Designation, Occupation, Term and DIN	Age (years)	Address	Other Directorships
DIN: 00001635			vii. Power Plant Engineers Limited; viii. Jindal Rex Exploration Private Limited; ix. Uttam Vidyut Transmission Private Limited; x. Shresht Mining and Metals Private Limited; xi. Jindal Petroleum Limited; xii. Jindal Hydro Power Limited; xiii. Jindal Synfuels Limited; xiv. Jindal Power Transmission Limited; xv. Jindal Power Distribution Limited; xvi. S.N. Flag Foundation; xvii. Etalin Hydro Electric Power Company Limited; xviii. Attunli Hydro Electric Power Company Limited; and xix. Nalwa Steel and Power Limited. **Foreign Companies** i. Worth Overseas Limited; ii. Jindal Minerals & Metals Africa Congo SPRL; iii. Jindal Steel & Power (Mauritius) Limited; iv. Jindal Minerals & Metals Africa Limited; v. JSPL Mozambique Minerais LDA; vi. Jindal Petroleum (Georgia) Limited; vii. Jindal Petroleum (Mauritius) Limited; viii. Enduring Overseas Limited; and ix. Synergy Infrastructures Private Limited.
Mr. Ashok Kumar Basu **Designation**: Independent Director **Occupation**: (Retired) IAS officer **Term**: Liable to retire by rotation **DIN**: 01411191	67	GD 282, Sector 3, Salt Lake, Kolkata 700 106	**Indian Companies** i. Visa Comtrade Limited; ii. Tata Metaliks Limited; iii. Usha Martin Limited; iv. Andrew Yule & Co. Limited; v. JSW Bengal Steel Limited; vi. Tin Plate Company of India Limited; vii. Visa Power Limited; viii. West Bengal Power Development Corporation Limited; ix. Tata Power Co. Limited; x. Bharat Heavy Electricals Limited; and xi. Carter Engineering Private Limited.
Mr. Ram Vinay Shahi **Designation**: Independent	64	14, Factory Road, Block A, Ground Floor, Ring Road, New Delhi 110 029, India.	**Indian Companies** i. Energy Infratech Private

Name, Designation, Occupation, Term and DIN	Age (years)	Address	Other Directorships
Director **Occupation**: Service **Term**: Liable to retire by rotation **DIN**: 01337591			Limited; ii. Evolution Markets India Private Limited; iii. JSPL; and iv. Energo Infrastructure Development Corporation Limited. **Foreign Companies** Nil
Mr. Shardul Suresh Shroff **Designation**: Independent Director **Occupation**: Advocate **Term**: Liable to retire by rotation **DIN**: 00009379	54	S 270, Greater Kailash Part – II, New Delhi 110 048, India	**Indian Companies** i. Infrastructure Development Finance Company Limited; ii. Apollo Tyres Limited; iii. NIIT Limited; iv. Ashok Leyland Limited; v. DE Shaw Advisory Services Private Limited; vi. Scout Mobile Internet Services Limited; vii. Ballarpur Industries Limited; viii. Amarchand Towers Property Holdings Private Limited; ix. Amarchand Mangaldas Properties Private Limited; x. PSNSS Properties Private Limited; and xi. Baghbaan Properties (P) Limited. **Foreign Companies** Nil
Mr. Arun Kumar Purwar **Designation**: Independent Director **Occupation**: Professional **Term**: Liable to retire by rotation **DIN**: 00026383	63	Flat No. 2303, C Tower, Ashok Tower, Dr. S.S. Rao Road, Parel, Mumbai 400 012, India	**Indian Companies** i. Reliance Communications Limited; ii. Vardhman Textiles Limited; iii. Caparo Engineering India Private Limited; iv. JSPL; v. Deccan Infrastructure and Land Holdings Limited; vi. IndiaVenture Advisors Private Limited; vii. Apollo Tyres Limited; viii. Energy Infratech Private Limited; ix. Engineers India Limited; x. India Infoline Limited; xi. IL&FS Renewable Energy Limited; xii. India Infoline Investment Services Limited; xiii. ONGC-Tripura Power Company Private Limited; and xiv. Sri Kavery Medical Care (Trichy) Private Limited. **Foreign Companies**

Name, Designation, Occupation, Term and DIN	Age (years)	Address	Other Directorships
			i. Caparo Plc., UK
Mr. Hardip Singh Wirk **Designation**: Independent Director **Occupation**: Advocate **Term**: Liable to retire by rotation **DIN**: 00995449	40	2, Andheria Morh, Harcharan Farm, Mehrauli, New Delhi 110 030, India	**Indian Companies** i. Mandira Wirk Designs Private Limited; and ii. JSPL. **Foreign Companies** Nil
Mr. Pradeep Kumar Tripathi **Designation**: Independent Director **Occupation**: Service **Term**: Liable to retire by rotation **DIN**: 00004893	57	D243, Anupam Garden, Neb Sarai, New Delhi - 110068	**Indian Companies** i. Gurgaon Recreation Parks Limited; ii. Unitech Infra-Con Limited; iii. Unitech Haryana SEZ Limited; iv. Unitech Infopark Limited; v. Landscape Builders Limited; vi. Pagro Foods Limited; vii. Edutech Informatics India Limited; viii. Prasha Technologies Limited; ix. Seaview Developers Limited; x. Caddx Prasha Controls Limited; xi. Shreeaumji Developers SEZ Private Limited; xii. Shreeaumji Real Estate SEZ Private Limited; xiii. Hicom Infrastructure Private Limited; xiv. Shreeaumji Builders Private Limited; xv. Shreeaumji Properties Private Limited; xvi. Shreeaumji Buildtech Private Limited; xvii. Shreeaumji Constructions Private Limited; xviii. Shreeaumji Promoters & Builders Private Limited; xix. Shreeaumji Habitation Private Limited; xx. Shreeaumji Estate Developers Private Limited; xxi. Comtech Infrastructure Private Limited; xxii. Spectrum Technoconstructions Private Limited; xxiii. Midway Infrastructure Private Limited; xxiv. Akshay Buildwell Private Limited; xxv. Calibre Buildwell Private Limited; xxvi. Avantika Construction Company Private Limited; xxvii. Pamposh Town Planners Private Limited; xxviii. Shilpalaya Constructions Private Limited;

Name, Designation, Occupation, Term and DIN	Age (years)	Address	Other Directorships
			xxix. Green Land Technobuilders Private Limited; xxx. Total Recycling Technology Private Limited; xxxi. P.T. & Associates Private Limited; xxxii. Savant India Institute of Technology Private Limited; xxxiii. Gurgaon Convention City Private Limited; xxxiv. INKE India Private Limited; xxxv. Solitaire Capital Trustees Private Limited; xxxvi. Nanotech Paints & Coatings Private Limited; xxxvii. Colossal Energy Private Limited; xxxviii. High Strength Private Limited; xxxix. Erebus Energy Private Limited; xl. Kalakriti Energy Private Limited; xli. Muneroff Energy Private Limited; xlii. Nelson Energy Private Limited; xliii. Sublime Energy Private Limited; xliv. PS Tyre Recycling Company Private Limited; xlv. Biotic Recycling Solutions Private Limited; and xlvi. DGS Realtors Private Limited. **Foreign Companies** Nil

All our Directors are Indian nationals and none of our Directors is related to each other.

Details of Directors

Mr. Naveen Jindal, 39 years, is the Non-executive Chairman of JPL and the Executive Vice-Chairman and Managing Director of JSPL. He holds a bachelor's degree in commerce from Hansraj College, Delhi University and a master's degree in business management from the University of Texas at Dallas, USA. At the University of Texas, he served as the President of the Student Government and was a recipient of the 'Student Leader of the Year' award. He has approximately 15 years of experience and possesses expertise and proficiency in managing business, particularly in the steel and power sector. His expertise in the steel and power businesses has been instrumental in contributing to the growth of JSPL. He was listed among 25 Indians who were part of the annual list of 250 Global Young Leaders in 2007 prepared by the World Economic Forum. Mr. Naveen Jindal got elected to Indian Parliament in 2004 (14th Lok Sabha Elections) from the Kurukshetra constituency in the state of Haryana, India and got re-elected to the Indian Parliament in 2009 in the 15th Lok Sabha elections. He is a member of the Public Accounts Committee, the Standing Committee on Home Affairs, consultative committee of the Ministry of Defence, Parliamentary Forum on Children and a special invitee of the Consultative Committee of the Ministry of Road Transport and Highways. By petitioning the Supreme Court of India, Mr. Naveen Jindal also played a pivotal role in providing Indian citizens the fundamental right to fly the national flag on all days with dignity and honor. Mr. Jindal has also excelled in Polo and Jindal Steel & Power Polo team has won several laurels under his captaincy. In addition, Mr Naveen Jindal is a national record holder in skeet shooting and has also captained the Indian shooting team that won the silver medal in the South Asian Federation Games in 2004. He has also represented the country in Asian games held in Busan, South Korea in the year 2002 in the Skeet shooting competition and various other world events in shooting.

Dr. Rajendra Prasad Singh, 61 years, is the Vice Chairman and Managing Director. He holds a bachelor's of science degree in engineering (mechanical) and a master's of science degree in engineering (machine design)

from the Banaras Hindu University. He was conferred the degree of doctor of science (Honoris Causa) from Banaras Hindu University. Dr. Singh has a career spanning more than 32 years and has served in the power sector in the fields of generation, transmission, large system operation and distribution. Prior to joining our Company, he was the Chairman and Managing Director, Power Grid Corporation of India Limited. He has also served in companies including NTPC Limited ("**NTPC**") and Tata Iron & Steel Company. He also serves as a consultant to the World Bank. He is the Chairman and founder member of the International Group of Very Large System Operators (i.e. countries having generation capacity of 60,000 MW or more) and the President of the International Council of Large Electric Systems, India. He has received several awards including the Green Award 2006 from the World Bank, the EPRI Power Delivery Individual Product Champion Award for 2005 from the Electric Power Research Institute, USA and the Eminent Engineer Award by the Institution of Engineers, India. He was also honored with the Dr. Shrikrishna Sinha Award 2005 for outstanding contribution in the Indian power sector in general and for the development of the rural and urban electricity infrastructure in Bihar in particular. As the Vice Chairman and Managing Director of the Company, he is responsible for the overall management of the Company.

Mr. Sushil Kumar Maroo, 48 years, is the Deputy Managing Director. He holds a bachelors degree in commerce from the University of Rajasthan. He is a chartered accountant by profession and has over 24 years of experience in the fields of finance, accounts and corporate affairs. He is also a director on the board of two of our Promoters, JSPL and Gagan Infraenergy. He was instrumental in the financial planning and in achieving financial closure for the 1,000 MW Mega Power Project of the Company and successfully implementing it. He has previously served in companies like JSPL, Voltas Limited, Nippon Denro Ispat Limited, Chambal Fertilizers and Chemicals Limited (Birla Group) and RPG Dholpur Power Company Private Limited. He served in JSPL from January 2001 to June 2008 in various capacities and prior to joining our Company was its whole-time director. During that period, he was responsible for mobilization of funds for JSPL's enhanced production capacity of sponge iron, steel and captive generation of power. As the Deputy Managing Director of our Company, he is responsible for implementing the strategy for the financial planning, project expansion, resource mobilization and the operation of the operational Tamnar I Project and the day-to-day operations of the Company. He also oversees our foray into non-conventional energy and our Promoters' foray into the oil and gas sector. Mr. Maroo is a member of the Associated Chambers of Commerce and Industry of India's expert committee on power (hydro, thermal and nuclear power) and the expert committee of Bank in the Federation of Indian Chambers of Commerce and Industry.

Mr. Pradip Kumar Chakraborty, 60 years, is the whole-time Director. He holds a bachelor's degree in science (physics) from the Guwahati University, a bachelor's degree in technology and a master's degree in technology with specialization in instrumentation from the Calcutta University. He has experience of over three decades in the power sector in relation to erection, commissioning, operation and maintenance and overall management of modern thermal power stations. He has previously served as the executive director of NTPC and the chief executive officer of Kanti Bijli Utpadan Nigam Limited, a joint venture of NTPC and BSES, on secondment basis as Executive Director, NTPC. He was also the Managing Director of Indraprastha Power Generation Company Limited and Pragati Power Corporation Limited, on deputation from NTPC, where he looked into the overall management of these companies.

Mr. Kishore Kumar Sinha, 62 years, is the whole-time Director. He holds a bachelor's degree in economics and a post graduate degree in personnel management/labour and social welfare from Patna University. He has approximately 40 years of experience in the field of human resources/personnel and administration. He has served for approximately 14 years with Hindustan Steel Limited (now Steel Authority of India Limited) and its subsidiary, Hindustan Steel Construction Limited. He has also worked for about 21 years with NTPC serving for seven years as their Director (Human Resources). Before joining our Company, he was working as an executive president (human resources) with Navi Mumbai Special Economic Zone Company Limited, a Reliance Industries group company. He is a fellow member of the All India Management Association and is on the advisory board of the National HRD Network, India. He is also the Vice President of the Global Compact Society of India, a part of the United Nations Secretary General's Global Compact initiative.

Mr. Anand Goel, 57 years, is the non-executive Director. He holds a bachelor's degree in science from the Punjab University and a master's degree in business administration from BITS, Pilani. He has approximately 34 years of experience out of which he served for 25 years in JSL Limited (formerly Jindal Strips Limited) in various managerial capacities. He is also the joint managing director of one of our Promoters, JSPL and a director of the board of Opelina. As the joint managing director of JSPL, he has been involved in the conceptualization and execution of projects at Raigarh for manufacture of rails, parallel flange beams, columns, plates and coils, the setting up of 6 MTPA capacity steel project at Angul, Odisha and the 6 MTPA capacity

steel project at Patratu, Jharkhand and the expansion of Raigarh plant from 3 MTPA to 6 MTPA.

Mr. Ashok Kumar Basu, aged 67, is an independent Director on our Board. He holds a bachelor's degree in economics from Calcutta University. Mr. Basu joined the Indian Administrative Service in 1965 and has worked in various capacities with the Government of West Bengal and the GoI and has over 40 years of experience. He has served as the Development Commissioner, Iron and Steel, as the Joint Secretary, Ministry of Steel, GoI, during 1988 to 1993 and as the Secretary, Ministry of Steel and Mines, GoI from August 1997 to May 2000. Mr. Basu was also the Secretary, Ministry of Power, GoI from June 2000 to March 31, 2002, where he was involved in the formulation of, among other things, the Electricity Act. Mr. Basu has also served as the Chairman of the CERC during 2002 to 2007. During his tenure as the Chairman of CERC, he contributed towards putting in place a credible and harmonized regime for electricity regulation in India with measures such as open access, grid management, power exchange and tariff based competitive bidding for projects. During 2005-06, Mr. Basu was also unanimously elected as the Chairman, South Asia Forum of Infrastructure Regulation. He also serves on the Board of various companies including Andrew Yule & Co. Limited, Tata Power Company Limited and Bharat Heavy Electricals Limited.

Mr. Ram Vinay Shahi, 64 years, is an independent Director. He holds a bachelor's degree in mechanical engineering from the National Institute of Technology, Jamshedpur, a post graduate degree in industrial engineering from National Productivity Council, Madras, a post graduate degree in business management from Xavier Institute, Ranchi and a diploma in advanced industrial management from Delft, Holland. He is a fellow of the World Academy of Productivity Sciences. He is also a fellow of the Institution of Engineers (India), a fellow of International Institute of Electrical Engineers and a fellow of the Indian National Academy of Engineering. He has administrative and management experience of approximately 39 years. He has served as Secretary, Ministry of Power, GoI, from April 2002 to January 2007, prior to which he was the Chairman and Managing Director of BSES Limited from 1994 to 2002. During his tenure as the Secretary to GoI, the Indian power sector witnessed major restructuring through the formulation and implementation of legislative and policy initiatives aimed at creating a competitive market structure. These included, among others, the Electricity Act (2003), National Electricity Policy (2005); Electricity Tariff Policy (2006); Accelerated Power Development Reform Programme (2002) and Ultra Mega Power Project Policy (2006). He has also worked in various capacities with Hindustan Steel Limited (now Steel Authority of India Limited) and NTPC Limited. He has received several awards which include, among others, the Eminent Engineer Award by the Institution of Engineers; Best Power Man of the Millennium Year 2000 Award by the National Foundation of Indian Engineers and Power-Telecom Convergence Award 2000 by the Independent Power Producers Association of India and National Power Training Institute. He is also an independent director on the board of one of our Promoters, JSPL.

Mr. Shardul Suresh Shroff, aged 54, is an independent Director on our Board. He holds a bachelor's degree in commerce from Sydenham College, Mumbai and a L.L.B. from Government Law College, Mumbai. Mr. Shroff is the Managing Partner of the law firm Amarchand & Mangaldas & Suresh A. Shroff & Co. As a corporate attorney for 29 years, Mr. Shroff has extensive experience in areas of infrastructure, projects & project finance, privatization and disinvestment, mergers and acquisitions, joint ventures, banking and finance, capital markets and commercial contracts. Mr. Shroff is also a leading authority on legal matters related to corporate governance, media law, technology law and policy and regulatory practices. He has been a member of several committees appointed by the Government of India, including the J.J. Irani Committee (2006) on corporate governance. Mr. Shroff also serves on a number of committees of the Confederation of Indian Industry (CII) and the Federation of Indian Chambers of Commerce and Industry (FICCI). He also serves on the Board of various companies including Infrastructure Development Finance Company Limited, NIIT Limited and Ballarpur Industries Limited.

Mr. Arun Kumar Purwar, aged 63, is an independent Director on our Board. He holds a master's degree in commerce from Allahabad University and a diploma in business administration. He has over 30 years of experience in the banking and finance sector. Mr. Purwar joined the State Bank of India as a probationary officer in 1968 and held several important positions in retail, corporate and international banking. He was appointed as the managing director of the State Bank of Patiala in December 2000 and played an important part in the integration of its treasury operations, computerization of all branches and product innovation. Mr. Purwar took charge at the helm of State Bank of India in November 2002. During his tenure with the State Bank of India, Mr. Purwar contributed towards bringing in technological advances in the bank such as computerization of branches, introduction of core banking and trade finance solutions and expansion of the ATM network. He retired from the State Bank of India in May 2006 and presently serves on the board of governors of Indian Institute of Management, Lucknow and Xaviers Labour Relations Institute, Jamshedpur. He was awarded 'CEO

of the Year' award from the Institute for Technology & Management in 2004, 'Outstanding Achiever of the Year' award from Indian Banks Association in 2004 and 'Finance Man of the Year' award from the Bombay Management Association in 2006.

Mr. Hardip Singh Wirk, aged 40, is an independent Director on our Board. He holds a bachelor's degree in law from Delhi University. He has experience of over eleven years in the legal advisory field and has handled various cases in Delhi High Court, Company Law Board, Consumer forum and Supreme Court of India. He has specialized in foreign investments, real estate and general corporate advice. Mr. Wirk is also an independent director on the board of JSPL.

Mr. Pradeep Kumar Tripathi, aged 57, is an independent Director on our Board. He holds a bachelor of arts degree from University of Allahabad and a master's degree in business management from University of Dayton, U.S. He also holds diplomas in 'management information system' and 'international finance and banking' from the World Center for Training & Development, Washington, U.S. He has approximately 30 years of experience and has worked with companies including Haryana State Industrial & Infrastructure Development Corporation Limited, AT&T India Private Limited, Edutech Informatics India Limited, Unitech Limited and Unitech Sai Private Limited. As the chief executive officer of Unitech Sai Private Limited he was responsible for setting up of the proposed integrated industrial model township in Farukhnagar, Haryana.

Compensation of our Directors

(Rs. in million)

Name of Directors	Date of appointment/joining the Board	Compensation	Remuneration paid in fiscal 2009
Mr. Naveen Jindal	January 30, 1995	He is not paid any sitting fees	Nil
Dr. Rajendra Prasad Singh	February 23, 2009 and appointed as Vice Chairman and Managing Director w.e.f. February 23, 2009	See ***"-Details of terms and conditions of employment of our whole-time Directors***" below	1.48
Mr. Sushil Kumar Maroo	January 5, 2004 and appointed as Deputy Managing Director w.e.f. June 18, 2008	See ***"-Details of terms and conditions of employment of our whole-time Directors***" below	15.03
Mr. Pradip Kumar Chakraborty	March 1, 2009 and appointed as whole-time director w.e.f. March 1, 2009	See ***"-Details of terms and conditions of employment of our whole-time Directors***" below	0.25
Mr. Kishore Kumar Sinha	November 15, 2008 and appointed as whole-time Director w.e.f. November 16, 2008	See "***-Details of terms and conditions of employment of our whole-time Directors***" below	4.66
Mr. Anand Goel	March 25, 1995	He is not paid any sitting fees.	Nil
Mr. Ashok Kumar Basu	December 18, 2009	He is entitled to the sitting fees.	Nil
Mr. Ram Vinay Shahi	October 29, 2007	He is not paid any sitting fees.	Nil
Mr. Shardul Suresh Shroff	December 18, 2009	He is entitled to the sitting fees.	Nil
Mr. Arun Kumar Purwar	December 18, 2009	He is not paid any sitting fees.	Nil
Mr. Hardip Singh Wirk	December 18, 2009	He is not paid any sitting fees. .	Nil
Mr. Pradeep Kumar Tripathi	December 18, 2009	He is entitled to the sitting fees.	Nil

We have not entered into any service contracts with our Directors providing for benefits upon termination of

employment.

Details of terms and conditions of employment of our whole-time Directors

Dr. Rajendra Prasad Singh

Dr. Rajendra Prasad Singh was appointed as a director on the Board and Managing Director of the Company with immediate effect i.e. February 23, 2009 pursuant to resolutions passed by the Board on February 23, 2009. He was also designated as the Vice Chairman and Managing Director of the Company in the same resolution. His term as the Managing Director of our Company is for a period of five years w.e.f. February 23, 2009. This was subsequently approved by the shareholders at their meeting held on September 23, 2009. The terms of appointment were further amended pursuant to the Board resolution dated October 30, 2009.

(i) The terms and conditions governing the remuneration of Dr. Rajendra Prasad Singh as the Vice Chairman and Managing Director of the Company w.e.f. April 1, 2009 are detailed as under:

Basic salary	Rs. 300,000 per month
Allowances	(i) Special Allowance: Rs. 329,742 per month; (ii) House Rent Allowance: Rs. 120,000 per month; (iii) Children Education Allowance: Rs. 200 per month; (iv) Leave Travel Allowance: Once in a year for self and family in accordance with the Rules of the Company not exceeding Rs. 60,000 per annum.
Bonus	Rs. 60,000 per month
Individual variable pay (based on individual performance)	Up to a maximum of Rs. 2,100,000 payable monthly, quarterly, half-yearly or annually as may be decided from time to time
Group variable pay (based on performance of organization/unit/department and individual contribution)	Up to a maximum of Rs. 900,000 payable monthly, quarterly, half-yearly or annualy as may be decided from time to time
Perquisites	Dr. Rajendra Prasad Singh is also entitled to perquisites including (i) provident fund in accordance with Company's policy, (ii) free use of car for business purposes of the Company and driver's salary reimbursement, (iii) free mobile phone and telephone facility at residence for official purposes only, (iv) gratuity in accordance with Company's policy, (v) mediclaim insurance coverage for self and family as per Company's policy, (vi) group personal accident insurance cover as per Company's policy and (vii) leave encashment in accordance with Company's policy.

(ii) He shall be entitled to reimbursements including professional pursuits, medical, business promotion and corporate attire expenses subject to a maximum limit per annum and those incurred for the business of the Company.

(iii) He shall not be paid any sitting fees for attending the meetings of the Board or committees thereof.

Sushil Kumar Maroo

Mr. Sushil Kumar Maroo was appointed as a director on our Board on January 5, 2004. He was appointed as the Deputy Managing Director of our Company pursuant to resolution passed by the Board on June 16, 2008 for a period of five years w.e.f. June 18, 2008. This was subsequently approved by the shareholders at their meeting held on July 16, 2008. The terms of appointment were further amended pursuant to the Board resolution dated October 30, 2009.

(i) The terms and conditions governing the remuneration of Mr. Sushil Kumar Maroo as the Deputy Managing Director of the Company w.e.f. April 1, 2009 are detailed as under:

Basic salary	Rs. 360,000 per month
Allowances	(i) Special Allowance: Rs. 195,350 per month; (ii) House Rent Allowance: Rs. 144,000 per month; (iii) Children Education Allowance: Rs. 200 per month; (iv) Leave Travel Allowance: Once in a year for self and family in accordance with the Rules of the Company not exceeding Rs. 60,000 per annum.
Bonus	Rs. 72,000 per month
Individual variable pay (based on individual performance)	Up to a maximum of Rs. 864,000 payable monthly, quarterly, half-yearly or annually as may be decided from time to time

Group variable pay (based on performance of organization/unit/department and individual contribution)	Up to a maximum of Rs. 1,200,000 payable monthly, quarterly, half-yearly or annually as may be decided from time to time
Perquisites	Mr. Sushil Kumar Maroo is also entitled to perquisites including (i) provident fund in accordance with Company's policy, (ii) free use of car for business purposes of the Company and driver's salary reimbursement, (iii) free mobile phone and telephone facility at residence for official purposes only, (iv) gratuity in accordance with Company's policy, (v) mediclaim insurance coverage for self and family as per Company's policy, (vi) group personal accident insurance cover as per Company's policy and (vii) leave encashment in accordance with Company's policy.
Management Incentive	0.25% of our Company's profit before interest, depreciation and tax subject to maximum of Rs. 10,000,000 per annum, payable on quarterly basis.

(ii) He shall be entitled to reimbursements including professional pursuits, medical, business promotion and corporate attire expenses subject to a maximum limit per annum and those incurred for the business of the Company.

(iii) He shall not be paid any sitting fees for attending the meetings of the Board or committees thereof.

Pradip Kumar Chakraborty

Mr. Pradip Kumar Chakraborty was appointed as a director and whole-time Director of the Company pursuant to resolutions passed by the Board on February 23, 2009 from March 1, 2009 till November 23, 2011. This was subsequently approved by the shareholders at their meeting held on September 23, 2009. The terms of appointment were further amended pursuant to the Board resolution dated October 30, 2009.

(i) The terms and conditions governing the remuneration of Mr. Pradip Kumar Chakraborty as a whole-time Director of the Company w.e.f. April 1, 2009 are detailed as under:

Basic salary	Rs. 100,000 per month
Allowances	(i) Special Allowance: Rs. 106,050 per month; (ii) Children Education Allowance: Rs. 200 per month; (iii) Uniform Maintenance Allowance: Rs. 500 per month; (iv) Leave Travel Allowance: Once in a year for self and family in accordance with the Rules of our Company not exceeding Rs. 60,000 per annum.
Bonus	Rs. 20,000 per month
Individual variable pay (based on individual performance)	Up to a maximum of Rs. 600,000 payable monthly, quarterly, half-yearly or annually as may be decided from time to time
Generation incentive/project incentive – Group performance linked incentive (based on performance of organization/unit/department and individual contribution)	As per Company's policy or up to a maximum of Rs. 420,000 payable monthly, quarterly, half-yearly or annually as may be decided from time to time
Perquisites	Mr. Pradip Kumar Chakraborty is entitled to perquisites including (i) residential accommodation in accordance with Company's policy, (ii) provident fund in accordance with Company's policy, (iii) free use of car with driver for the business of the Company, (iv) free mobile phone for official purposes only, (v) gratuity in accordance with the Company's policy, (vi) mediclaim insurance coverage for self and family as per the Company's policy, (vii) group personal accident insurance cover as per the Company's policy and (viii) leave encashment in accordance with the Company's policy.

(ii) He shall be entitled to reimbursements including professional pursuits, medical and business promotion expenses subject to a maximum limit per annum and those incurred for the business of the Company.

(iii) He shall not be paid any sitting fees for attending the meetings of the Board or committees thereof.

Kishore Kumar Sinha

Mr. Kishore Kumar Sinha was appointed as a director of the Company with immediate effect, i.e., November 15, 2008 and as a whole-time director w.e.f. November 16, 2008 pursuant to resolution passed by the Board on November 15, 2008 for a period of five years w.e.f. November 16, 2008. This was subsequently approved by the

shareholders at their meeting held on September 23, 2009. The terms of appointment were further amended pursuant to the Board resolution dated October 30, 2009.

(i) The terms and conditions governing the remuneration of Mr. Kishore Kumar Sinha as the whole-time director of the Company w.e.f. April 1, 2009 are detailed as under:

Basic salary	Rs. 318,200 per month
Allowances	(i) Special Allowance: Rs. 234,716 per month; (ii) House Rent Allowance: Rs. 127,280 per month; (iii) Children Education Allowance: Rs. 200 per month; (iv) Leave Travel Allowance: Once in a year for self and family in accordance with the Rules of our Company not exceeding Rs. 60,000 per annum.
Bonus	Rs. 63,640 per month
Individual variable pay (based on individual performance)	Up to a maximum of Rs. 1,445,400 payable monthly, quarterly, half-yearly or annually as may be decided from time to time
Group variable pay (based on performance of organization/unit/department and individual contribution)	Up to a maximum of Rs. 954,600 payable monthly, quarterly, half-yearly or annually as may be decided from time to time
Perquisites	Mr. Kishore Kumar Sinha is entitled to perquisites including (i) provident fund in accordance with Company's policy, (ii) free use of car for business purposes of our Company and driver's salary reimbursement, (iii) free mobile phone and telephone facility at residence for official purposes only, (iv) gratuity in accordance with Company's policy, (v) mediclaim insurance coverage for self and family as per Company's policy, (vi) group personal accident insurance cover as per Company's policy and (vii) leave encashment in accordance with Company's policy.

(ii) He shall be entitled to reimbursements including professional pursuits, medical, business promotion and corporate attire expenses subject to a maximum limit per annum and those incurred for the business of the Company.

(iii) He shall not be paid any sitting fees for attending the meetings of the Board or committees thereof.

Non-executive and Independent Directors

We have not entered into any formal arrangements/service contracts with our non-executive and independent Directors. Our non-executive Directors are entitled to sitting fees of Rs. 20,000 for attending each meeting of the Board and Rs. 5,000 for attending each meeting of the Committees thereof. However, Mr. Naveen Jindal, Mr. Anand Goel, Mr. Ram Vinay Shahi, Mr. Hardip Singh Wirk and Mr. Arun Kumar Purwar do not receive any sitting fees for attending the meetings of the Board or any committee thereof.

Borrowing Powers of the Board of Directors of our Company

Our Articles of Association, subject to Sections 58A, 292 and 293 of the Companies Act, authorise our Board, to raise or borrow or secure the payment of any sum or sums of money for the purposes of our Company. Pursuant to a resolution passed at the EGM dated November 23, 2009 our shareholders have authorised our Board to borrow monies (apart from temporary loans obtained from the Company' bankers in the ordinary course of business) up to a limit the outstanding of which should not exceed, at any given time, Rs. 300,000 million.

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We believe we are in compliance with the requirements of the applicable regulations, including the Listing Agreement with the Stock Exchanges and the SEBI Regulations, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board constituted in compliance with the Companies Act and Listing Agreement with Stock Exchanges. The Board functions either on its own or through various committees constituted to oversee specific

operational areas.

The Board has 12 directors, out of which six are independent Directors.

Committees of the Board

Our Company has constituted the following committees for compliance with corporate governance requirements:

a. Audit Committee

The Audit Committee was constituted by our Directors at their Board meeting held on July 29, 2005. It was reconstituted by our Board at their meeting held on December 18, 2009. The audit committee comprises Mr. Ram Vinay Shahi, chairman of the Audit Committee, Mr Arun Kumar Purwar and Mr Sushil Kumar Maroo. Our Deputy Company Secretary is the secretary of the Audit Committee.

The scope and function of the Audit Committee is in accordance with Section 292A of the Companies Act and clause 49 of the Listing Agreement and its terms of reference are as follows:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;

- Approving the payment to statutory auditors for any other services rendered by the statutory auditors;

- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

  (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act;
  (b) Changes, if any, in accounting policies and practices along with 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.

- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

- Reviewing and monitoring, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in this matter;

- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

- 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;

- Discussing with internal auditors any significant findings and follow up thereon;

- 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;

- Discussing 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;

- Looking into reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

- Reviewing the functioning of the whistle blower mechanism in case the same is existing; and

- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contained in the Listing Agreement as and when amended from time to time.

b. Shareholders'/Investors' Grievance Committee

The Shareholders/Investors' Grievance Committee constituted pursuant to the Board meeting held on December 18, 2009, is responsible for the redressal of shareholder/investor grievances. The Shareholders'/Investors' Grievance Committee comprises of Mr. Ram Vinay Shahi, chairman of the Shareholders/Investors' Grievance Committee, and Mr. Sushil Kumar Maroo.

The terms of reference of the Shareholder/Investors' Grievance Committee are as under:

- Redressing investors' complaints including non-receipt of declared dividends, non-receipt of balance sheets of the Company etc.; and
- Carrying out any other function contained in the Listing Agreement as and when amended from time to time.

Additionally, the Board of our Company has formed an IPO Committee comprising Mr. Naveen Jindal, Dr. Rajendra Prasad Singh, Mr.Sushil Kumar Maroo and Mr. Anand Goel and Sub-Committee of Directors comprising Mr. Naveen Jindal, Dr. Rajendra Prasad Singh, Mr.Sushil Kumar Maroo and Mr. Anand Goel.

Interests of Directors

All our whole-time Directors may be deemed to be interested to the extent of remuneration paid to them for services rendered as Directors of the Company and reimbursement of expenses payable to them. In addition, one of our Directors, Mr. Sushil Kumar Maroo, receives a management incentive. For details see ***"-Details of terms and conditions of employment of our whole-time Directors"*** above. Further, all our independent Directors are entitled to receive sitting fees for attending the Board/committee meetings within the limits laid down in the Companies Act and as decided by our Board. None of our Directors are interested in the promotion of our Company.

Further, except for Mr. Naveen Jindal, none of our Directors hold any Equity Shares in the Company. Our Directors may also be interested to the extent of Equity Shares, if any, held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to this Issue. Some of our Directors are also directors on the board of our Promoters.

Further, all our Directors may also be deemed to be interested to the extent of Equity Shares that may be subscribed for and allotted to them, out of the present Issue in terms of this Draft Red Herring Prospectus. Such Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Two of our Directors, namely, Dr. Rajendra Prasad Singh and Mr. Kishore Kumar Sinha, may be interested to the extent of advances given to them by the Company, the details of which are provided below:

(in Rs.)

Name of Director	Amount outstanding as on November 30, 2009
Dr. Rajendra Prasad Singh	1,450,000
Mr. Kishore Kumar Sinha	1,862,600

Our Directors have no interest in any property acquired by our Company within two years of the date of this Draft Red Herring Prospectus or proposed to be acquired by it.

Except as stated in the "***Financial Statements - Related Party Transactions***" on page F47, the Directors do not have any other interest in the business of our Company.

Changes in our Board of Directors during the last three years

The changes in the Board of Directors during the last three years are as follows:

Name of Director	Date of change	Reason
Mr. Rajendra Singh	May 21, 2007*	Death
Mr. Ram Vinay Shahi	October 29, 2007	Appointment
Mr. Kishore Kumar Sinha	November 15, 2008	Appointment
Mr. R.K. Saraf	December 7, 2008	Resignation
Dr. Rajendra Prasad Singh	February 23, 2009	Appointment
Mr. D.P. Sarawgi	February 24, 2009	Resignation
Mr. Pradip Kumar Chakraborty	March 1, 2009	Appointment
Mr. Ashok Kumar Basu	December 18, 2009	Appointment
Mr. Shardul Suresh Shroff	December 18, 2009	Appointment
Mr. Arun Kumar Purwar	December 18, 2009	Appointment
Mr. Hardip Singh Wirk	December 18, 2009	Appointment
Mr. Pradeep Kumar Tripathi	December 18, 2009	Appointment

**The Board noted the demise of Mr. Rajendra Singh.*

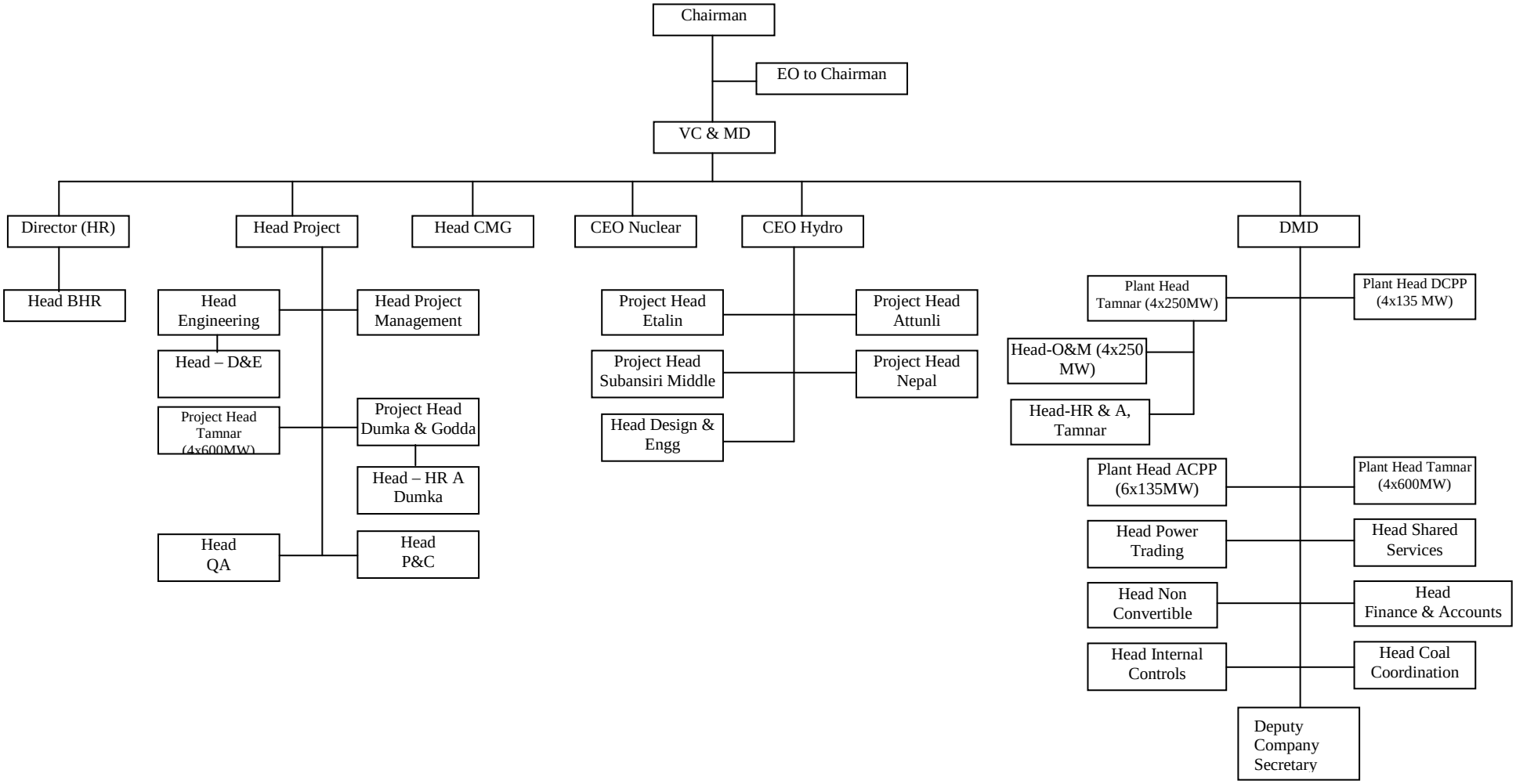
Shareholding of Directors in our Company

The Articles of Association do not require our Directors to hold any qualification shares. The following table details the shareholding of our Directors:

Name of Director	No. of Equity Shares
Mr. Naveen Jindal	150

Management Organization Structure

The organization structure of our Company is as set forth below:



Key Managerial Personnel

The details regarding our key managerial personnel as on the date of filing this Draft Red Herring Prospectus are as follows:

Mr. Vinod Kumar Abbey, 59 years, is the CEO (hydro projects). He holds a bachelor's of science degree in mechanical engineering from Regional College of Engineering, Calicut, Kerala. He has approximately 38 years of experience with over 30 years in the power sector alone. He joined our Company w.e.f. August 3, 2009. Prior to joining our Company, he worked with other companies like North East Electric Power Limited, NHPC, Kurichu Hydroelectric Project (Bhutan) and Western India Erectors Limited. He is currently heading the hydro business of our Company.

Mr. Anil Khanna, 58 years, is the executive director. He holds a bachelor's degree in mechanical engineering from the Thapar Institute of Engineering and Technology, Patiala. He has approximately 34 years of experience and has worked with various companies including Desein Group, UB Group, Best and Crompton Engineering Limited, KSB Pumps and Greaves Cotton & Company Limited. The responsibilities performed by him included contract formulation and contract management, development of EPC contracts, preparation of project reports and implementation of integrated turnkey projects. He joined our Company w.e.f. August 1, 2008. Prior to joining our Company, he was working with Punj Lloyd as the executive vice president, heading their power business. He is currently handling the engineering, procurement and construction activities of power plants of our Company. His gross remuneration for Fiscal 2009 was Rs. 6.62 million.

Mr. Prem Prakash Singh, 63 years, is the president (projects – 4x600 MW). He holds a bachelor of technology degree in electrical engineering from the Indian Institute of Technology, Kharagpur and a post diploma in automobile engineering from Technical College, Agra. He is a Member of the Administrative Staff College of India, Hyderabad and is a Fellow of the Institute of Engineers (India). He has approximately 42 years of experience including that in the power sector in the areas of construction, erection, commission, operation and maintenance of power projects. He joined our Company as a retainer w.e.f. April 15, 2009. Prior to joining our Company, he has worked with NTPC, Lanco Infratech Limited and Fertilizer Corporation of India Limited. He is currently in charge of the 4x600 MW power project at Tamnar. His term in office on retainership basis is for an initial period of two years effective from April 15, 2009, unless extended on mutually agreed terms and conditions.

Mr. Chokkanna Doreswamy Prahlad, 59 years, is the president (hydro). He holds a bachelor's degree in electrical engineering from National Institute of Engineering, University of Mysore. He has approximately 36 years of experience in the hydro power sector. He joined our Company w.e.f. August 17, 2009. Prior to joining our Company he has worked with NHPC Limited ("**NHPC**"), Jaiprakash Industries Limited, Reliance Energy Limited and TCE Consulting Engineers Limited. He was instrumental in introducing the 400 KV GIS and 400 KV oil filled cable technologies in the power sector in India. He is currently in charge of the design and engineering division of hydro projects of our Company.

Mr. Tarun Kumar Prasad, 60 years, is the president (engineering). He holds a bachelor of engineering degree (electrical) from Muzaffarpur Institute of Technology, Bihar. He has approximately 38 years of experience in engineering and project management including procurement, erection and commissioning. He joined our Company w.e.f. December 1, 2009 as an advisor. His term is for a period of two years. Prior to joining our Company, he has worked with NTPC, Steel Authority of India Limited ("**SAIL**") and Reliance Industries Limited. He was also the Chief Executive Officer of NTPC-SAIL Power Company Private Limited, a joint venture of NTPC and SAIL. He is currently in charge of the engineering functions of the projects of our Company.

Mr. Raj Kishore Singh, 63 years, is the senior vice president (projects). He holds a bachelor of engineering (mechanical) from BIT, Sindri. Mr. Singh has also undergone professional and advance training in power station engineering in Federal Republic of Germany in the year 1982-1983. He has over 37 years of experience in power station engineering, project management and plant management. He has served as the chairman and director (technical) of Damodar Valley Corporation during his stint from 1969 to 2006. He has joined our Company w.e.f. December 1, 2009. Prior to joining our Company, he was working with JSPL. Currently, he is in charge of management of the Dumka Project.

Mr. Ram Niwas, 57 years, is the senior vice president. He holds a bachelor of technology degree in mechanical engineering from G.B. Pant Institute of Agriculture and Technology, Nainital. He has over 34 years of experience in the power sector having served in companies like NTPC, Renu Sagar Power Company Limited and U.P. Instrument Limited. He has expertise in the field of operation and maintenance and commissioning activities of power plants. He joined our Company w.e.f. June 25, 2009. Prior to joining our Company, he was working as Assistant General Manager (OS) in NTPC. He is currently in charge of operation and maintenance at Tamnar I Project.

Mr. Surinder Pal Anand, 53 years, is the senior vice president (power). He holds a bachelor's degree in mechanical engineering from Jiwaji University, Gwalior. He has over 32 years of experience in the power sector. He joined our Company w.e.f. March 24, 2008. Prior to joining our Company, he worked with NTPC, Foster Wheeler Power Group (USA) and Reliance Energy Limited. He has been involved in various aspects of power generation business from concept to commissioning. He is currently handling the project management of our Tamnar II project. His gross remuneration for Fiscal 2009 was Rs. 5.28 million.

Mr. Bharat Rohra, 53 years, is the senior vice president (design & engineering). He holds a bachelor of technology degree in civil engineering from the Indian Institute of Technology, Delhi. He is also the Member of CIGRE and the Institution of Engineers. He has over 30 years of experience including approximately 24 years in NTPC. He has experience in designing various types of power plant structures, coal handling structures, MGR coal transportation system etc. in power and transmission projects. He joined our Company w.e.f. February 18, 2009. Prior to joining our Company, he was working with Universal Infra Consultants as the senior vice-president. He is currently in charge of the design and engineering of civil and transmission works of the projects of our Company. His gross remuneration for Fiscal 2009 was Rs.0.57 million.

Mr. Bibekanand Yadav, 55 years, is the senior vice president (engineering, procurement and construction - projects). He holds a bachelor of technology degree in civil engineering from the Indian Institute of Technology, Kharagpur. He has over 32 years of experience and he has expertise in the fields of project planning, monitoring and execution of green filed thermal and hydro power projects and infrastructure development of green field thermal and hydro projects and special economic zones. He joined our Company w.e.f. December 26, 2008. Prior to joining our Company, he worked with Navi Mumbai SEZ Private Limited (Reliance Industries Group Company) as their president (construction). He has also served in various positions in NTPC for approximately 30 years. He is currently in charge of the corporate monitoring group. His gross remuneration for Fiscal 2009 was Rs. 0.99 million.

Mr. Mahim Singh Mehta, 46 years, is the senior vice president (finance & accounts). He holds a bachelor's degree in commerce from Shri Ram College of Commerce, University of Delhi. He is an associate member of the Institute of Chartered Accountants of India and a graduate member of the Institute of Cost & Works Accountants of India. He has over 23 years of experience in strategic planning, business reconstruction, operational management and long term and short term financing with international and domestic companies. He joined our Company w.e.f. September 1, 2009. Prior to joining our Company, he has served in companies including JSPL, the Bin Hafeez Group (Abu Dhabi, UAE), Singer India Limited, LG Electronics India Private Limited, JK Corporation Limited and Kinetic Technology India Limited. He is currently in charge of budgeting, financial planning, accounting, fund raising and related activities of the Company. He is also responsible for identifying and bidding for power projects.

Mr. Rajesh Singh Tanwar, 54 years, is the senior vice president (human resources, personnel and administration) at Tamnar. He holds a bachelor's degree in economics from the Punjab University, Chandigarh; a bachelor of law degree (with specialization in labour laws) from Bombay University, Mumbai and a post graduate diploma in personnel administration management from Jamnalal Bajaj Management Institute. He also holds a post graduate diploma in labour laws and labour welfare from the Bombay University, Mumbai and a post graduate diploma in personnel management from the National Institute of Personnel Management, Kolkata. He has over 32 years of experience in the field of human resource management. He joined our Company w.e.f. September 26, 2009. Prior to joining our Company, he has worked with several companies including Apollo Tyres Limited, J.K. Tyres Limited and Mundra Port and SEZ (Adani Group). He is currently in charge of the human resources, personnel and administration division of Tamnar I and II Projects.

Mr. Prem Bijoy Kumar Charan, 53 years, is our senior vice president (human resources and administration) at Dumka. He holds a bachelor's and master's degree in business management from Banaras Hindu University. He has over 29 years of experience in human resources and industrial relations. He joined our Company w.e.f. December 1,

2009. Prior to joining our Company he has worked with Navi Mumbai Special Economic Zone (a Reliance Industries Limited group company), NTPC Limited and National Dairy Development Board. He is currently in charge of the human resources, personnel and administration division at Dumka.

Kapil Mantri, 28 years, is the executive officer to our Chairman. He holds a bachelor's degree in computer engineering from the National Institute of Technology Karnataka, Surathkal and a master's degree in business administration from Indian School of Business, Hyderabad. He joined our company w.e.f. September 1, 2009. Prior to joining our Company he has worked with JSPL and Microsoft. He is currently involved in formulating strategy, planning and monitoring of all the power projects of our Company.

Mr. Dhiraj Kumar Maggo, 30 years, is the Deputy Company Secretary. He holds a bachelor's degree in commerce from Rajdhani College, University of Delhi and a bachelor's degree in law from the University of Delhi. He is an associate member of the Institute of Company Secretaries of India. He has eight years of experience in company secretarial and legal matters. He joined our Company w.e.f. May 1, 2007. Prior to joining our Company, he worked with NSPL, Hero Global Design Limited and SBEC Sugar Limited. He is currently in charge of all company secretarial matters of our Company. His gross remuneration for Fiscal 2009 was 0.74 million.

Except for Mr. Prem Prakash Singh and Mr. Raj Kishore Singh who are retainers and Mr. Tarun Kumar Prasad who is an advisor, all our key managerial personnel are permanent employees of our Company.

The term of office of our employees, including our key managerial personnel, is until the attainment of 60 years of age. In the case of a retainer or consultant, the term in office is till the expiry of the tenure of such contract. However, in exceptional cases, where replacements are not available in view of special knowledge or skills required for the concerned position, the concerned employee may be considered for continuation in our Company based on the merits of such employee and the business requirements of our Company. Such employee will be given the status of a retainer and would be appointed for a period of either one or two years (depending on the business requirements of the Company) which may be further extended by another year on mutual consent.

None of the key managerial personnel are related to each other.

Shareholding of the Key Managerial Personnel

None of our key managerial personnel hold any Equity Shares of the Company.

Bonus or profit sharing plan for our Key Managerial Personnel

Our Company has a performance linked pay which includes individual variable pay (based on individual performance) payable monthly, quarterly, half-yearly or annually, and group performance linked incentive (based on performance of the organisation/unit/department and individual contribution) payable either monthly or quarterly or half-yearly or annually as may be decided from time to time, which came into effect from April 1, 2009. There is no profit sharing plan for our key managerial personnel.

Interest of Key Managerial Personnel

Except to the extent of advance taken by the key managerial personnel from the Company as detailed below and 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, our key managerial personnel do not have any other interest in the business of the Company.

(Rs in million.)

Name of the Key Managerial Personnel	Amount outstanding as on November 30, 2009
Mr. Bharat Rohra	0.14
Mr. Surinder Pal Anand	0.12

None of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration.

Changes in Key Managerial Personnel in the last three years

Name	Date of Appointment as a Key Managerial Personnel	Date of Cessation	Reason
Mr. Dhiraj Kumar Maggo	May 1, 2007	-	Appointment
Mr. Surinder Pal Anand	March 24, 2008	-	Appointment
Mr. Anil Khanna	August 1, 2008	-	Appointment
Mr. Bibekanand Yadav	December 26, 2008	-	Appointment
Mr. Bharat Rohra	February 18, 2009	-	Appointment
Mr. Prem Prakash Singh	April 15, 2009	-	Appointment
Mr. Ram Niwas	June 25, 2009	-	Appointment
Mr. Vinod Kumar Abbey	August 3, 2009	-	Appointment
Mr. Chokkanna Doreswamy Prahlad	August 17, 2009	-	Appointment
Mr. Mahim Singh Mehta	September 1, 2009	-	Appointment
Mr. Kapil Mantri	September 1, 2009	-	Appointment
Mr. Rajesh Singh Tanwar	September 26, 2009	-	Appointment
Mr. Tarun Kumar Prasad	December 1, 2009	-	Appointment
Mr. Prem Bijoy Kumar Charan	December 1, 2009	-	Appointment
Mr. Raj Kishore Singh	December 1, 2009	-	Appointment

Employee Stock Option or Stock Purchase Scheme

Our Company does not presently have any stock option scheme or stock purchase scheme for its employees.

Payment or Benefit to officers of our Company

Except as stated otherwise in this Draft Red Herring Prospectus, no non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

Except as stated in the "***Related Party Transactions***" on page F47 none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

Arrangements and understanding with major shareholders

None of our Key Managerial Personnel or Directors has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

OUR PROMOTERS AND GROUP COMPANIES

Our Promoters are Jindal Steel & Power Limited, Gagan Infraenergy Limited and Opelina Finance and Investment Limited.

Our Promoters currently hold 1,347,827,250 Equity Shares of our Company and will continue to hold the majority of our post-Issue paid-up share capital.

Details of our Promoters

Jindal Steel & Power Limited

Jindal Steel & Power Limited ("**JSPL**") was incorporated on September 28, 1979 as Orbit Strips Private Limited. On May 21, 1998, the name of the Company was changed to Orbit Strips Limited. Subsequently, on June 12, 1998, the name of the company was changed to Jindal Steel & Power Limited.

There has been no change in the control or management of JSPL during the period of three years immediately preceding the date of filing of this Draft Red Herring Prospectus with SEBI. JSPL was listed with the Delhi Stock Exchange Association Limited on July 21, 1999. However, the equity shares of JSPL were voluntarily delisted from the Delhi Stock Exchange Association Limited, the Madras Stock Exchange Limited, the Ahmedabad Stock Exchange and the Calcutta Stock Exchange Association Limited. The equity shares of JSPL are presently listed on the Stock Exchanges. JSPL is a manufacturer of sponge iron, steel products and is also engaged in the business of generation of power. The registered office of JSPL is situated at O.P. Jindal Marg, Hisar, Haryana 125 005.

Shareholding Pattern

The shareholding pattern of JSPL as of September 30, 2009 is as follows:

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Individuals / Hindu Undivided Family	24	12,568,362	6,061,272	1.35	1.35	-	-
Bodies Corporate	21	460,193,130	347,254,170	49.44	49.44	-	-
Sub Total	**45**	**472,761,492**	**353,315,442**	**50.79**	**50.79**	**-**	**-**
(2) Foreign							
Individuals (Non-Residents Individuals / Foreign Individuals)	1	527,400	527,400	0.06	0.06	-	-
Bodies Corporate	10	71,997,600	71,997,600	7.74	7.74	-	-
Sub Total	**11**	**72,525,000**	**72,525,000**	**7.79**	**7.79**	**-**	**-**
Total shareholding of Promoter and Promoter Group (A)	**56**	**545,286,492**	**425,840,442**	**58.58**	**58.58**	**-**	**-**
(B) Public Shareholding							
(1) Institutions							
Mutual Funds / UTI	131	33,236,325	33,112,245	3.57	3.57	-	-
Financial Institutions / Banks	33	177,938	75,998	0.02	0.02	-	-
Insurance Companies	5	699,204	649,404	0.08	0.08	-	-
Foreign Institutional Investors	409	200,396,507	200,278,907	21.53	21.53	-	-

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
Sub Total	**578**	**234,509,974**	**234,116,554**	**25.19**	**25.19**	**-**	**-**
(2) Non-Institutions							
Bodies Corporate	2,746	50,774,817	50,026,457	5.46	5.46	-	-
Individuals						-	-
Individual shareholders holding nominal share capital up to Rs. 1 lakh	128,347	83,875,038	58,187,127	9.01	9.01	-	-
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	24	5,054,192	3,965,792	0.54	0.54	-	-
Any Others (Specify)	2,485	11,281,323	4,236,183	1.21	1.21	-	-
Trusts	9	135,531	135,531	0.01	0.01	-	-
Non Resident Indians	2,473	11,144,460	4,099,320	1.20	1.20	-	-
Overseas Corporate Bodies	2	1,110	1,110	-	-	-	-
Foreign Nationals	1	222	222	-	-	-	-
Sub Total	133,602	150,985,370	116,415,559	16.22	16.22	-	-
Total Public shareholding (B)	**134,180**	**385,495,344**	**350,532,113**	**41.42**	**41.42**	**-**	**-**
Total (A)+(B)	**134,236**	**930,781,836**	**776,372,555**	**100.00**	**100.00**	**-**	**-**
(C) Shares held by Custodians and against which Depository Receipts have been issued	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A)+(B)+(C)	**134,236**	**930,781,836**	**776,372,555**	**-**	**100.00**	**-**	**-**

Board of Directors

The board of directors of JSPL comprises Mrs. Savitri Jindal, Mr. Ratan Jindal, Mr. Naveen Jindal, Mr. Vikrant Gujral, Mr. Anand Goel, Mr. S Ananthakrishnan, Mr. A.K. Purwar, Mr. R.V. Shahi, Mr. Haigreve Khaitan, Mr. Hardip Singh Wirk, Mr. Rahul Mehra, Mr. Sushil Maroo, Mr. Arun Kumar and Mr. A.K. Mukherji.

Financial Information of JSPL (standalone)

(*Rs. in million, except share data)*

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Total Income	77,994.30	54,598.70	35,487.80
Profit/(loss) after tax	15,364.80	12,369.60	7,029.90
Equity capital	154.70	154.00	154.00
Reserves and Surplus	53,716.61	37,088.60	24,620.10
Earnings per share (basic)	99.44	80.34	45.66
Earnings per share (diluted)	98.58	78.24	45.06
Net Asset Value per share	348.21	241.76	803.83

JSPL has not been declared a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 and is not under winding up.

Promise v/s Performance

JSPL was listed pursuant to a scheme of merger and amalgamation. The company has not made any public issue or rights issue.

Mechanism for redressal of investor grievance

All share related matters namely transfer, transmission, transposition, nomination, dividend, change of name, address and signature, registration of mandate and power of attorney, replacement, split, consolidation, demat and

remat of shares, issue of duplicate certificates etc. are handled by JSPL's Registrars and Transfer Agents, M/s. Alankit Assignment Limited ("**AAL**").

Investors correspond directly with AAL, on all share related matters. JSPL has an established mechanism for investor service and grievance handling, with AAL and the Compliance Officer appointed by JSPL for this purpose being the important functional nodes.

The Board of Directors of JSPL has constituted a Shareholder/Investor Grievance Committee which, inter alia, oversees and reviews all matters connected with securities transfers and other processes. JSPL seeks to redress any complaints received as expeditiously as possible.

JSPL received 233 investor complaints in the three years preceding the date of filing of this Draft Red Herring Prospectus. As of November 30, 2009, there were no investor complaints pending against JSPL.

Mr. Naveen Jindal is one of the 'persons in control' of JSPL.

Mr. Naveen Jindal, 39 years, is the Non-executive Chairman of JPL and the Executive Vice-Chairman and Managing Director of JSPL. He holds a bachelor's degree in commerce from Hansraj College, Delhi University and a master's degree in business management from the University of Texas at Dallas, USA. At the University of Texas, he served as the President of the Student Government and was a recipient of the 'Student Leader of the Year' award. He has approximately 15 years of experience and possesses expertise and proficiency in managing business, particularly in the steel and power sector. His expertise in the steel and power businesses has been instrumental in contributing to the growth of JSPL. He was listed among 25 Indians who were part of the annual list of 250 Global Young Leaders in 2007 prepared by the World Economic Forum. Mr. Naveen Jindal got elected to Indian Parliament in 2004 (14th Lok Sabha Elections) from the Kurukshetra constituency in the state of Haryana, India and got re-elected to the Indian Parliament in 2009 in the 15th Lok Sabha elections. He is a member of the Public Accounts Committee, the Standing Committee on Home Affairs, consultative committee of the Ministry of Defence, Parliamentary Forum on Children and a special invitee of the Consultative Committee of the Ministry of Road Transport and Highways. By petitioning the Supreme Court of India, Mr. Naveen Jindal also played a pivotal role in providing Indian citizens the fundamental right to fly the national flag on all days with dignity and honor. Mr. Jindal has also excelled in Polo and Jindal Steel & Power Polo team has won several laurels under his captaincy. In addition, Mr Naveen Jindal is a national record holder in skeet shooting and has also captained the Indian shooting team that won the silver medal in the South Asian Federation Games in 2004. He has also represented the country in Asian games held in Busan, South Korea in the year 2002 in the Skeet shooting competition and various other world events in shooting.

In addition to Mr. Naveen Jindal, as per the reporting requirements under the Takeover Code, the following persons/entities are also 'persons in control' of JSPL:

1.	Naveen Jindal & Sons HUF;	20.	Sminu Jindal;	37.	Abhinandan Investment Limited;
2.	Prithvi Raj Jindal (HUF);	21.	Seema Jajodia;	38.	Nalwa Investments Limited;
3.	Savitri Devi Jindal;	22.	Urmila Bhuwalka;	39.	Nalwa Engineering Company Limited;
4.	Deepika Jindal;	23.	Sushil Bhuwalka;	40.	Renuka Financial Services Limited;
5.	S.K. Jindal & Sons (HUF);	24.	Sun Investments Limited;	41.	Jindal Seamless Tubes Limited;
6.	S.K. Jindal (HUF);	25.	Opelina Finance and Investment Limited;	42.	Jindal South West Holdings Limited;
7.	R.K. Jindal & Sons (HUF);	26.	Gagan Infraenergy Limited;	43.	Meredith Traders Private Limited;
8.	Sajjan Kumar Jindal;	27.	Hexa Securities & Finance Company Limited;	44.	Rohit Towers Building Limited;
9.	Sangeeta Jindal;	28.	Jindal Equipment Leasing and Consultancy	45.	Sarika Jhunjhunwala;
10.	R.K. Jindal (HUF);			46.	Nacho Investments Limited;

11. Prithvi Raj Jindal;
12. Parth Jindal;
13. Ratan Kumar Jindal;
14. Abhyuday Jindal;
15. Arti Jindal;
16. Tripti Jindal;
17. Tanvi Jindal;
18. Tarini Jindal;
19. Urvi Jindal;

Services;
29. Mansarover Investments Limited;
30. Gagan Trading Company Limited;
31. Colorado Trading Company Limited;
32. Vrindavan Services Private Limited;
33. Stainless Investments Limited;
34. Ever Plus Securities and Finance Limited;
35. Manjula Finances Limited;
36. Goswamis Credits & Investment Limited;

47. Templar Investments Limited;
48. Mendeza Holdings limited;
49. Jargo Investments Limited;
50. Vavasa Investments Limited;
51. Heston Securities Limited;
52. Pentel Holding Limited;
53. Estrela Investment Company Limited;
54. Sarmento Holdings Limited; and
55. Beaufield Holdings Limited.

Gagan Infraenergy Limited ("Gagan Infraenergy")

Gagan Infraenergy was incorporated on February 24, 1989 under the Companies Act as Navin Sponge Iron Private Limited. The name of the company was thereafter changed to Gagan Sponge Iron Private Limited on January 30, 2004, to Gagan Sponge Iron Limited on February 2, 2007 and to Gagan Infraenergy Limited on October 12, 2009. The registered office of Gagan Infraenergy is situated at 28, Najafgarh Road, New Delhi 110 015, India. Gagan Infraenergy is *inter alia* permitted to carry on the business of generation, storage, transmission, distribution, supply, purchase, sale of electricity and energy of all kind.

Mr. Naveen Jindal is the promoter of Gagan Infraenergy. There has been no change in the control or management of Gagan Infraenergy during the period of three years immediately preceding the date of filing of this Draft Red Herring Prospectus with SEBI.

The equity shares of Gagan Infraenergy are not listed on any stock exchange.

Shareholding Pattern

The shareholding pattern of Gagan Infraenergy as on November 30, 2009 is as follows:

S. No.	Name of the Shareholder	No. of equity shares of Rs. 10 each	Percentage of shareholding
1.	Mr. Naveen Jindal	45,000	90.00
2.	Ms. Shallu Jindal	4,950	9.90
3.	Mr. Prithvi Raj Jindal	10	0.02
4.	Mr. Sushil Kumar Maroo	10	0.02
5.	Mr. Anand Goel	10	0.02
6.	Mr. Rajeev Aggarwal	10	0.02
7.	Mr. Amit Gupta	10	0.02
	Total	**50,000**	**100.00**

Board of Directors

The board of directors of Gagan Infraenergy comprises Mr. Sushil Kumar Maroo, Mr. Surinder Pal Anand, Mr. Rajeev Jain and Mr. Girish Kumar Suneja.

Financial Information

The audited financial results of Gagan Infraenergy for fiscal 2009, 2008 and 2007 are set forth below:

(*Rs. in million, except share data)*

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity capital	0.20	0.20	0.20
Preference Capital	145.00	145.00	145.00
Reserves and surplus (excluding revaluation)	977.52	1,023.23	440.41
Sales/Turnover/Income	362.10	859.44	112.17

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Profit/(Loss) after tax	(45.73)	582.77	42.32
Earnings per share (Rs.) (Basic)	(2,866.02)	28,631.20	1,608.59
Earnings per share (Rs.) (Diluted)	(2,866.02)	28,631.20	1,608.59
Net asset value per share (Rs.)	48,885.79	51,117..55	22,030.00

Gagan Infraenergy has not been declared a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 and is not under winding up.

Opelina Finance and Investment Limited ("Opelina")

Opelina was incorporated on March 20, 1995 under the Companies Act as Opelina Finance & Investment Private Limited. The name of the company was subsequently changed to Opelina Finance & Investment Limited on February 2, 2007. The registered office of Opelina is situated at 28, Najafgarh Road, New Delhi 110 015, India. Opelina is engaged in the business of investing and holding securities.

Mr. Naveen Jindal is the promoter of Opelina. There has been no change in the control or management of Opelina during the period of three years immediately preceding the date of filing of this Draft Red Herring Prospectus with SEBI.

The equity shares of Opelina are not listed on any stock exchange.

Shareholding Pattern

The shareholding pattern of Opelina as on November 30, 2009 is as follows:

S. No.	Name of the Shareholder	No. of equity shares of Rs. 10 each	Percentage of shareholding
1.	Mr. Naveen Jindal	45,000	90.00
2.	Ms. Shallu Jindal	4,950	9.90
3.	Mr. Rajiv Aggarwal	10	0.02
4.	Mr. Rajeev Jain	10	0.02
5.	Mr. Anand Goel	10	0.02
6.	Mr. Sushil Kumar Maroo	10	0.02
7.	Mr. S.P. Singh	10	0.02
	Total	**50,000**	**100.00**

Board of Directors

The board of directors of Opelina comprises Mr. Anand Goel, Mr. S.P. Singh and Mr. Manoj Chauhan.

Financial Information

The audited financial results of Opelina for fiscal 2009, 2008 and 2007 are set forth below:

(*Rs. in million, except share data*)

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity capital	0.20	0.20	0.20
Preference capital	192.67	192.67	192.67
Reserves and surplus (excluding revaluation)	433.82	391.94	328.60
Sales/Turnover/Income	43.94	72.61	72.87
Profit/(Loss) after tax	41.88	63.34	51.64
Earnings per share (Rs.) (Basic)	2,094.00	3,167.00	2,582.00
Earnings per share (Rs.)	2,094.00	3,167.00	2,582.00

	Fiscal 2009	Fiscal 2008	Fiscal 2007
(Diluted)			
Net asset value per share (Rs.)	21,693.31	19,596.11	16,425.76

Opelina has not been declared a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 and is not under winding up.

Our Company confirms that the PAN, Bank Account Number, the Company Registration Number and the address of the Registrar of Companies where our Promoters are registered, will be submitted to the Stock Exchanges, at the time of the filing of the Draft Red Herring Prospectus with them.

Interests of our Promoters

Other than such transactions that may be mentioned under "***Financial Statements – Related Party Transactions***" on page F47, our Promoters are interested in our Company to the extent of their shareholding in our Company and to the entitlement to dividend on its shares.

Our Promoters and Group Companies confirm that they have no interest in any property acquired by our Company during the last two years from the date of filing of this Draft Red Herring Prospectus.

Related party transactions

Except those transactions mentioned under "***Financial Statements – Related Party Transactions***" on page F47, there are no other interests, payments or benefits to our Promoters by the Company.

Payment or Benefit to our Promoters

Except as stated in the section titled ***"Financial Statements – Related Party Transaction"*** on page F47, there has been no payment of benefits to our Promoters, Promoter Group or Group Companies during the last two years prior to the date of filing of this Draft Red Herring Prospectus.

Common Pursuits

Our Promoters and some of our Group Companies, including Nalwa Steel & Power Limited may get involved in businesses similar to ours which could lead to competition and conflicts of interest. Certain of our Group Companies are also authorized to develop power generation projects, pursuant to their constitutional documents, that may compete with us in future. As a result, there may be conflicts of interest between our Promoters, our Group Companies and us in bidding for supply of fuel and other resources or services and in selling power from projects that are operated by us.

Group Companies

Unless otherwise specifically stated, no equity shares of any of our Group Companies are listed on any stock exchange and they have not made any public or rights issue of securities in the preceding three years. Additionally, none of our Group Companies has become a sick company under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985, or are not in the process of being wound-up.

The details of all of our group companies are as follows.

1. Jindal Minerals & Metals Africa Limited

Jindal Mineral & Metal Africa Limited ("**Jindal Minerals Africa**") was incorporated on February 8, 2006 under Companies Act 2001of Republic of Mauritius and is permitted *inter alia* to carry on the business of investing and holding securities.

Our Promoters have 80.00% direct interest in Jindal Minerals Africa.

Financial Performance

Jindal Minerals Africa is not required to prepare audited financial results under its laws of incorporation.

2. Jindal Steel & Power (Mauritius) Limited

Jindal Steel & Power (Mauritius) Limited ("**Jindal Steel Mauritius**") was incorporated on February 6, 2007 under Companies Act 2001of Republic of Mauritius and is permitted *inter alia* to carry on the business of investment and trading of iron ore, coal, steel products and other metals.

Our Promoters have 100.00% direct interest in Jindal Steel Mauritius.

Financial Performance

Jindal Steel Mauritius is not required to prepare audited financial results under its laws of incorporation.

3. Jindal Steel Bolivia S.A.

Jindal Steel Bolivia S.A. was incorporated on October 12, 2006 under the laws of Bolivia and is permitted *inter alia* to carry on the business of prospecting, exploration, exploitation, concentration, fabrication and commercialisation of natural resources.

Our Promoters have 99.99% direct interest Jindal Steel Bolivia S.A.

Financial Performance

The financial results of Jindal Steel Bolivia S.A. for fiscal 2009 are currently not available. The audited financial results of Jindal Steel Bolivia S.A. for fiscals 2008 and 2007 are set forth below.

(Boliviano in million, unless stated otherwise)

	Fiscal 2008*	**Fiscal 2007***
	Boliviano	*Boliviano*
Equity capital	29.22	2.01
Reserves and surplus (excluding revaluation)	(13.30)	(1.12)
Sales/Turnover	-	-
Profit/(Loss) after tax	(12.17)	(1.12)
Earnings per share (*Boliviano*) (Basic)	(0.12)	(135.69)
Earnings per share (*Boliviano*) (Diluted)	(0.12)	(135.69)
Net asset value per share (*Boliviano*)	54.50	44.05

**financial year ending September 30.*

4. Gas to Liquid International

Gas to Liquid International was incorporated on June 6, 1997 under the laws of Bolivia is permitted *inter alia* to carry on the business of exploration of oil and natural gas.

There are companies controlled by our Promoters which hold shares in Gas to Liquid International.

Financial Performance

Gas to Liquid International became part of our group on March 1, 2008 pursuant to its acquisition by Worth Overseas Limited, our group company. Gas to Liquid International was not required to prepare audited financials statements for the period closing December 31, 2007, under its laws of incorporation. The audited financial results of Gas to Liquid International for fiscal 2009 and 2008 as set forth below.

(Boliviano in million unless stated otherwise)

	Fiscal 2009*	**Fiscal 2008***
	Boliviano	*Boliviano*
Equity capital (*Boliviano*)	3.80	3.80
Reserves and surplus (excluding revaluation)	-	-
Sales/Turnover	-	-
Profit/(Loss) after tax	-	-
Earnings per share (*Boliviano*) (Basic)	-	-
Earnings per share (*Boliviano*) (Diluted)	-	-
Net asset value per share (*Boliviano*)	100.00	100.00

**financial year ending March 31.*

5. Trans Atlantic Trading Limited

Trans Atlantic Trading Limited ("**TATL**") was incorporated on March 12, 2007 under Companies (Guernsey) Laws 1994 to 1996 and is permitted *inter alia* to carry on the business of investment and trading of iron ore, coal, steel products and other metals.

There are companies controlled by our Promoters which hold shares in TATL.

Financial Performance

Under its laws of incorporation, TATL is exempt from having its annual accounts audited for the year commencing January 1, 2010 and was exempt from having its annual accounts audited for the year commencing January 1, 2009, as, amongst other things, it is an asset holding company, has less than 50 employees and has passed the required resolutions. The audited financial results of TATL for fiscal 2008 and 2007 are set forth below.

(USD in million, unless otherwise stated)

	Fiscal 2008*	**Fiscal 2007***
	USD	*USD*
Equity capital (USD)	Negligible	Negligible
Reserves and surplus (excluding revaluation)	(0.33)	Negligible
Sales/Turnover	-	-
Profit/(Loss) after tax	(0.33)	Negligible
Earnings per share (USD) (Basic)	(166,072.50)	6,349.08
Earnings per share (USD) (Diluted)	(166,072.50)	6,349.08
Net asset value per share (USD)	(165,741.00)	332.50

**financial year ending March 31.*

6. Jindal Minerals and Metals Africa Congo SPRL

Jindal Minerals and Metals Africa Congo SPRL ("**Jindal Minerals Congo**") was incorporated on December 27, 2006 under the laws of Congo and is permitted *inter alia* to carry on the business of exploration of diamonds, platinum and gold.

There are companies controlled by our Promoters which hold shares in Jindal Minerals Congo.

Financial Performance

Jindal Minerals Congo is not required to prepare audited financial results under its laws of incorporation as it is a company which is still in the phase of mining prospection.

7. Pt Jindal Overseas

Pt Jindal Overseas was incorporated on May 25, 2007 under the laws of Indonesia and is permitted *inter alia* to carry on the business of exporting goods such as coal. It also provides management consultancy services.

There are companies controlled by our Promoters which hold shares in Pt Jindal Overseas.

Financial Performance

As Pt Jindal Overseas was incorporated on May 25, 2007, the audited financial results for fiscal 2007 and 2006 are not available. The audited financial results of Pt Jindal Overseas for fiscal 2008 are set forth below.

(Indonesian Rupiah in million, unless stated otherwise)

	Fiscal 2008*
	Rupiah
Equity capital	879.10
Reserves and surplus (excluding revaluation)	(1,342.70)
Sales/Turnover	-
Profit/(Loss) after tax	(1,342.70)
Earnings per share (Indonesian Rupiah) (Basic)	(22,276.62)
Earnings per share (Indonesian Rupiah) (Diluted)	(22,276.62)
Net asset value per share (Indonesian Rupiah)	(4,636.00)

**financial year ending December 31.*

8. Worth Overseas Limited

Worth Overseas Limited was incorporated on February 28, 2008 under Companies Act 2001 of Republic of Mauritius and is permitted *inter alia* to carry on the business of investing and holding securities.

There are companies controlled by our Promoters which hold shares in Worth Overseas Limited.

Financial Performance

Worth Overseas Limited is not required to prepare audited financial results under its laws of incorporation.

9. Vision Overseas Limited

Vision Overseas Limited was incorporated on February 28, 2008 under Companies Act 2001 of Republic of Mauritius and is permitted *inter alia* to carry on the business of acquiring, holding and owning aircrafts.

There are companies controlled by our Promoters which hold shares in Vision Overseas Limited.

Financial Performance

Vision Overseas Limited is not required to prepare audited financial results under its laws of incorporation.

10. Jubilant Overseas Limited

Jubilant Overseas Limited was incorporated on February 28, 2008 under Companies Act 2001 of Republic of Mauritius and is permitted *inter alia* to carry on the business of acquiring, holding and owning aircrafts.

There are companies controlled by our Promoters which hold shares in Jubilant Overseas Limited.

Financial Performance

Jubilant Overseas Limited is not required to prepare audited financial results under its laws of incorporation.

11. Affiliate Overseas Limited

Affiliate Overseas Limited was incorporated on February 29, 2008 under Companies Act 2001of Republic of Mauritius and is permitted *inter alia* to carry on the business of acquiring, holding and owning aircrafts.

There are companies controlled by our Promoters which hold shares in Affiliate Overseas Limited.

Financial Performance

Affiliate Overseas Limited is not required to prepare audited financial results under its laws of incorporation.

12. Sky High Overseas Limited

Sky High Overseas Limited was incorporated on February 29, 2008 under Companies Act 2001 of Republic of Mauritius and is permitted *inter alia* to carry on the business of acquiring, holding and owning aircrafts.

There are companies controlled by our Promoters which hold shares in Sky High Overseas Limited.

Financial Performance

Sky High Overseas Limited is not required to prepare audited financial results under its laws of incorporation.

13. Harmony Overseas Limited

Harmony Overseas Limited was incorporated on February 29, 2008 under Companies Act 2001of Republic of Mauritius and is permitted *inter alia* to carry on the business of acquiring, holding and owning of aircrafts

There are companies controlled by our Promoters which hold shares in Harmony Overseas Limited.

Financial Performance

Harmony Overseas Limited is not required to prepare audited financial results under its laws of incorporation.

14. Jindal Power LLC

Jindal Power LLC was incorporated on May 19, 2008 under the laws of Mongolia and is permitted *inter alia* to carry on the business of foreign and domestic trade. It also engages in the business of mining, exploration and extraction.

There are companies controlled by our Promoters which hold shares in Jindal Power LLC.

Financial Performance

As Jindal Power LLC was incorporated on May 19, 2008, the audited financial results for fiscal 2007 and 2006 are not available. The audited financial results for fiscal 2008 are set forth below.

(MNT in million, unless stated otherwise)

	Fiscal 2008*
	MNT
Equity capital	11.72
Reserves and surplus (excluding revaluation)	34.83
Sales/Turnover	-
Profit/(Loss) after tax	34.83
Earnings per share (MNT) (Basic)	4,324,611.10
Earnings per share (MNT) (Diluted)	4,324,611.10
Net asset value per share (MNT)	4,655,385.30

**financial year ending December 31.*

15. Jindal Mining Industry LLC

Jindal Mining Industry LLC was incorporated on May 20, 2008 under the laws of Mangolia and is permitted *inter alia* to carry on the business of foreign and domestic trade. It also engages in the business of mining, exploration and extraction.

There are companies controlled by our Promoters which hold shares in Jindal Mining Industry LLC.

Financial Performance

As Jindal Mining Industry LLC was incorporated on May 20, 2008, the audited financial results for fiscal 2007 and 2006 are not available. The audited financial results for fiscal 2008 are set forth below.

(MNT in million)

	Fiscal 2008*
	MNT
Equity capital	11.72
Reserves and surplus (excluding revaluation)	0.82
Sales/Turnover	-
Profit/(Loss) after tax	0.82
Earnings per share (MNT) (Basic)	132,551.29
Earnings per share (MNT) (Diluted)	132,551.29
Net asset value per share (MNT)	1,253,709.70

**financial year ending December 31.*

16. JSPL Mozambique Minerais LDA

JSPL Mozambique Minerais LDA was incorporated on July 30, 2008 under the laws of Mozambique and is permitted *inter alia* to carry on business of mining, exploration and extraction.

There are companies controlled by our Promoters which hold shares in JSPL Mozambique Minerais LDA.

Financial Performance

As JSPL Mozambique Minerais LDA was incorporated on July 30, 2008, the audited financial results for fiscal 2007 and 2006 are not available. The audited financial results for fiscal 2008 are set forth below.

(MZN in million, unless stated otherwise)

	Fiscal 2008*
	MZN
Equity capital	0.02
Reserves and surplus (excluding revaluation)	(2.13)
Sales/Turnover	-
Profit/(Loss) after tax	(2.13)
Earnings per share (MZN) (Basic)	N.A.
Earnings per share (MZN) (Diluted)	N.A.
Net asset value per share (MZN)	N.A.

**financial year ending December 31.*

17. Enduring Overseas Limited

Enduring Overseas Limited was incorporated on August 1, 2008 under BVI Business Companies Act and is permitted *inter alia* to carry on business of investing and holding and marketing of steel products.

There are companies controlled by our Promoters which hold shares in Enduring Overseas Limited.

Financial Performance

Under its laws of incorporation, Enduring Overseas Limited is only required to keep such records as are (a) sufficient to show and explain the company's transactions; and (b) will, at any time, enable the financial position of the company to be determined with reasonable accuracy for any fiscal year, and there are no further requirements for annual accounts to be audited for any fiscal year.

18. Jindal Mining & Exploration Limited

Jindal Mining & Exploration Limited ("**JMEL**") was incorporated on October 7, 2008 under Companies Act 2001of Republic of Mauritius and is permitted *inter alia* to carry on business of investing and holding securities.

There are companies controlled by our Promoters which hold shares in JMEL.

Financial Performance

JMEL is not required to prepare audited financial results under its laws of incorporation.

19. Jindal Investment Holdings Limited

Jindal Investment Holding Limited was incorporated on October 7, 2008 under Companies Act 2001of Republic of Mauritius and is permitted *inter alia* to carry on business of investing and holding securities.

There are companies controlled by our Promoters which hold shares in Jindal Investment Holdings Limited.

Financial Performance

Jindal Investment Holdings Limited is not required to prepare audited financial results under its laws of incorporation.

20. Jindal Africa Investments (Pty) Limited

Jindal Africa Investments (Pty) Limited ("**Jindal Africa Investments**") was incorporated on October 24, 2008 under the Companies Act, 1973 of Republic of South Africa and is permitted *inter alia* to carry on business of trading.

There are companies controlled by our Promoters which hold shares in Jindal Africa Investments.

Financial Performance

Under its laws of incorporation, Jindal Africa Investments is required to end its first accounting year on or before April 23, 2010, i.e. within 18 months of its date of incorporation.

21. Osho Madagascar SARL

Osho Madagascar SARL was incorporated on September 8, 2008 under the laws of Madagascar and is permitted *inter alia* to carry on business of mining and exploration.

There are companies controlled by our Promoters which hold shares in Osho Madagascar SARL.

Financial Performance

As Osho Madagascar SARL was incorporated on September 8, 2008, the audited financial results for fiscal 2007 and 2006 are not available. The audited financial results for fiscal 2008 are set forth below.

(MGA in million unless stated otherwise)

	Fiscal 2008*
	MGA
Equity capital	3.00
Reserves and surplus (excluding revaluation)	(36.79)
Sales/Turnover	-
Profit/(Loss) after tax	(36.79)
Earnings per share (MGA.) (Basic)	(785,358.07)
Earnings per share (MGA) (Diluted)	(785,358.07)
Net asset value per share (MGA)	(225,289.92)

**financial year ending December 31.*

22. Rolling Hills Resources LLC

Rolling Hills Resources LLC was incorporated on September 22, 2005 under the laws of Mongolia and is permitted *inter alia* to carry on the business of mining and exploration.

There are companies controlled by our Promoters which hold shares in Rolling Hills Resources LLC.

Financial Performance

Rolling Hills Resources LLC became part of our group on August 28, 2008 pursuant to its acquisition by Jindal Steel & Power (Mauritius) Limited, our group company. The audited financial results of Rolling Hills Resources LLC for fiscal 2008, 2007 and 2006 are set forth below.

(MNT in million unless stated otherwise)

	Fiscal 2008*	Fiscal 2007*	Fiscal 2006*
	MNT	*MNT*	*MNT*
Equity capital	2,260.40	17.10	17.10
Reserves and surplus (excluding revaluation)	(122.92)	(14.66)	(9.54)
Sales/Turnover	-	-	-
Profit/(Loss) after tax	(108.25)	(5.12)	(9.54)
Earnings per share (MNT) (Basic)	(96.02)	(204.97)	(381.57)
Earnings per share (MNT) (Diluted)	(96.02)	(204.97)	(381.57)
Net asset value per share (MNT)	945.62	97.58	302.55

**financial year ending December 31.*

23. Nalwa Steel and Power Limited

Nalwa Steel & Power Limited ("**NSPL**") was incorporated on February 24, 1989 under the Companies Act and is permitted *inter alia* to carry on the business of manufacturing sponge iron and steel products.

Our Promoters have 91.00% direct interest in NSPL.

Financial Performance

The audited financial results of NSPL for fiscals 2009, 2008 and 2007 are set forth below.

(Rs. in million, unless otherwise stated)

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity capital	50.00	50.00	50.00
Reserves and surplus (excluding revaluation)	3,181.76	2,191.89	1,629.56

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Sales/Turnover	7,133.11	6,095.80	2,578.80
Profit/(Loss) after tax	989.87	562.64	155.29
Earnings per share (Rs.) (Basic)	197.97	112.53	31.06
Earnings per share (Rs.) (Diluted)	197.97	112.53	31.06
Net asset value per share (Rs.)	646.35	448.38	335.85

Significant notes of auditors

Fiscal 2009

9(a) **"**In our opinion and according to the information and explanations given to us and according to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty Excise Duty, Cess and other material statutory dues, wherever applicable, have been regularly deposited with the appropriate authorities and there are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March, 2009, except the following in respect of Sales Tax & Wealth Tax":

Name of Statute	Nature of dues	Amount (Rs. In Lacs)
Sales Tax Act	CST	20.93
Sales Tax Act	VAT	157.45
Sales Tax Act	CGST	0.09
Wealth Tax Act	Wealth Tax	2.37

(b) "According to the information and explanations given to us and as per the books and records examined by us, there are no dues of Custom Duty, Wealth Tax, Income Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute, except the following in respect of disputed Excise duty, Sales tax, Service Tax and Income Tax":

Name of the Statute	Nature of dues	Year	Amount (Rs. in Lacs)	Forum where dispute is pending	Amount Deposited (Rs. in Lacs)
Central Sales Tax Act	CST	02-03	1.38	Deputy Commissioner, Bilaspur	0.14
Central Sales Tax Act	CST	03-04	9.78	Additional Commissioner, Commercial Tax, Sambhalpur	9.78
Central Sales Tax Act/Local Sales Tax Act	CST	03-04	335.46	Commissioner Sales Tax, Raipur	33.7
	LST	04-05	1282.33		
		05-06	1066.78		
Finance Act, 1994	Service Tax	05-06	6.02	Additional Commissioner, Raipur	NIL
Income Tax Act, 1961	Income Tax	05-06	0.96	CIT (Appeals)	NIL
Chattisgarh State Law	Energy Development Cess	2006-08	291.2	Honorable Supreme Court	NIL

21. "During the course of our examination of the books and accounts of the company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed and reported during the year, nor have been informed of such case by the management, except one case where an amount of Rs.3.89 crores given as an advance to a vendor which turned out to be fraudulent and which the management has considered as doubtful of recovery and accordingly written off."

Fiscal 2008

Pt. 9(b) "According to the information and explanations given to us and as per the books and records examined by us, there are no dues of Customs Duty, Wealth Tax, Income Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute except the following in respect of sales tax and the forum where the dispute is pending is as under:"

Name of the Statute	Nature of dues	Year	Amount (Rs. in Lacs)	Forum where dispute is pending
Sales Tax Act	CST	03-04		Commissioner Sales Tax, Raipur
	LST	04-05	1620.61	

Fiscal 2007

Pt. 3(b) "The Company had taken unsecured loan in earlier years from a director covered in the register maintained under section 301 of the Companies Act, 1956, the maximum amount involved during the year and the year end balance in respect of such loan is Rs.35.45 lacs and Rs. Nil respectively. Apart from this, the company has not taken any loans, secured or unsecured, loans from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956."

(c) "In our opinion the rate of interest and other terms and conditions on which such loan was taken were not, prima facie, prejudicial to the interest of the company".

(d) "The aforesaid loan taken was repayable on demand and, therefore, the question of overdue does not arise".

Pt. 11 "According to the information and explanations given to us and as per the books and records examined by us, the Company has not defaulted in repayment of dues to any banks and financial institutions except one installment in respect of the working capital loan from SBI, Bhilai, the amount of Rs.70.06 lacs was due for repayment on 31.7.06 which was subsequently paid on 31.10.06 and 29.1.07."

24. Jindal DRC SPRL

Jindal DRC SPRL was incorporated on March 23, 2009 under the laws of Congo is permitted *inter alia* to carry on business of mining and exploration.

There are companies controlled by our Promoters which hold shares in Jindal DRC SPRL.

Financial Performance

Jindal DRC SPRL, being a company which is still in the phase of mining prospection, is not required to prepare audited financial results under its laws of incorporation.

25. Jindal Minerals Mining Limited

Jindal Minerals Mining Limited was incorporated on June 4, 2009 under the Companies Act 1984 (of Malawi) and is permitted *inter alia* to carry on business of mining and exploration.

There are companies controlled by our Promoters which hold shares in Jindal Minerals Mining Limited.

Financial Performance

As Jindal Minerals Mining Limited was incorporated on June 4, 2009, the financial results for fiscal 2009, 2008 and 2007 are not available.

26. Shresht Mining and Metals Private Limited

Shresht Mining and Metals Private Limited was incorporated on February 1, 2008 under the Companies Act and is permitted *inter alia* to carry on business of mining and exploration.

Our Promoters have 100.00% direct interest in Shresht Mining and Metals Private Limited.

Financial Performance

As Shresht Mining and Metals Private Limited was incorporated on February 1, 2008, the audited financial results for fiscal 2007 are not available. The audited financial results for fiscal 2009 and 2008 are set forth below.

(Rs. in million, unless otherwise stated)

	Fiscal 2009	**Fiscal 2008**
Equity capital	0.10	0.10
Reserves and surplus (excluding revaluation)	-	-
Sales/Turnover	-	-
Profit/(Loss) after tax	-	-
Earnings per share (Rs.) (Basic)	-	-
Earnings per share (Rs.) (Diluted)	-	-
Net asset value per share (Rs.)	(499.14)	(16.95)

27. Jindal Synfuels Limited

Jindal Synfuels Limited was incorporated on September 1, 2008 under Companies Act and is permitted *inter alia* to carry on the business of taking on lease coal mines, mining of coal and coal related products/bye products, gasification and liquefaction of coal, mining and exploration of coal and other minerals in India or abroad and petroleum products.

Our Promoters have 79.97% direct interest in Jindal Synfuels Limited. Further, there are companies controlled by our Promoters which holds shares in Jindal Synfuels Limited.

Financial Performance

As Jindal Synfuels Limited was incorporated on September 1, 2008, the audited financial results for fiscal 2008 and 2007 are not available. The audited financial results for fiscal 2009 are set forth below.

(Rs. in million, unless stated otherwise)

	Fiscal 2009
Equity capital	2.10
Reserves and surplus (excluding revaluation)	-
Sales/Turnover	-
Profit/(Loss) after tax	-
Earnings per share (Rs.) (Basic)	-
Earnings per share (Rs.) (Diluted)	-
Net asset value per share (Rs.)	7.90

28. Angul Sukinda Railway Limited

Angul Sukinda Railway Limited was incorporated on February 20, 2009, under Companies Act and is permitted *inter alia* to carry on business of development, establishment, financing, construction, operation, maintenance and management of railway projects and facilities.

Our Promoters have 50.00% direct interest in Angul Sukinda Railway Limited.

Financial Performance

As Angul Sukinda Railway Limited was incorporated on February 20, 2009, the audited financials statements for fiscal 2009, 2008 and 2007 are not available.

29 . Saras Mineracao de Ferro S.A.

Saras Mineracao de Ferro S.A. was incorporated on November 10, 2006 under the laws of Brazil and is permitted *inter alia* to carry on the business of mining and investment.

There are companies controlled by our Promoters which hold shares in Saras Mineracao de Ferro S.A.

Financial performance

The financial statements of Saras Mineracao de Ferro S.A. are currently not available as Saras Mineracao de Ferro S.A. has not started any commercial operations.

30 . Jindal Petroleum Limited

Jindal Petroleum Limited ("**Jindal Petroleum**") was incorporated on April 2, 2008 under the Companies Act and is primarily engaged in the petroleum business including the exploration, and production and development of crude oil and natural gas.

Our Promoters have 98.00% direct interest in Jindal Petroleum. Further, there are companies controlled by our Promoters which hold further shares in Jindal Petroleum.

Financial performance

As Jindal Petroleum was incorporated on April 2, 2008, the financial results for fiscal 2008 and 2007 are not available. The financial results for fiscal 2009 are as follows:

(INR. in million, unless otherwise stated)

	Fiscal 2009
Equity capital	610.00
Reserves and surplus (excluding revaluation)	-
Sales/Turnover	-
Profit/(Loss) after tax	-
Earnings per share (Rs.) (Basic)	-
Earnings per share (Rs.) (Diluted)	-
Net asset value per share (Rs.)	9.99

31. Jindal Petroleum (Mauritius) Limited

Jindal Petroleum (Mauritius) Limited ("**JPML**") was incorporated on August 5, 2008 under the Companies Act, 2001 of Mauritius and is primarily engaged in the business of exploration and acquisition of oil and natural gas blocks.

There are companies controlled by our Promoters which hold shares in JPML.

Financial performance

JPML is not required to prepare audited financial results under its laws of incorporation.

32. Jindal Petroleum (Georgia) Limited

Jindal Petroleum (Georgia) Limited ("**JPGL**") was incorporated on August 5, 2008 under the Companies Act, 2001 of Mauritius and is primarily engaged in the business of exploration and acquisition of oil and natural gas blocks.

There are companies controlled by our Promoters which hold shares in JPGL.

Financial performance

JPGL is not required to prepare audited financial results under its laws of incorporation.

33. *Jindal Petroleum Operating Company LLC*

Jindal Petroleum Operating Company LLC ("**JPOC**") was incorporated on June 11, 2009 under the Law of Georgia "On Entrepreneurs" of October 28, 1994. JPOC is primarily engaged in the business of making profits by long term permanent and independent entrepreneur activities.

There are companies controlled by our Promoters which hold shares in JPOC.

Financial performance

As JPOC was incorporated on June 11, 2009, the financial results for fiscal 2009, 2008 and 2007 are not available.

34. India Flysafe Aviation Limited

India Flysafe Aviation Limited ("**IFSAL**") was incorporated on December 4, 1997 under the Companies Act, 1956. IFSAL is primarily engaged in the business of running chartered planes and air cargo services.

Our Promoters have 89.99% direct interest in IFSAL.

Financial performance

The audited financial results of IFSAL for fiscals 2009, 2008 and 2007 are set forth below:

(INR. in million, unless otherwise stated)

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity capital	50.00	45.00	25.00
Reserves and surplus (excluding revaluation)	(43.94)	52.30	59.04
Sales/Turnover	122.77	155.20	132.41
Profit/(Loss) after tax	(96.24)	(6.74)	42.96
Earnings per share (Rs.) (Basic)	(19.25)	(1.56)	17.00
Earnings per share (Rs.) (Diluted)	(19.25)	(1.56)	17.00
Net asset value per share (Rs.)	1.21	21.62	33.61

Significant notes of auditors

Fiscal 2009

"During the year the company has incurred a loss of Rs. 9,52,20,493.69. There is a cash loss of Rs. 6,78,75,611.98 during the year and there is no cash loss in the preceding financial year. The net worth of the company has been eroded more than 50%."

35. Trishakti Real Estate Infrastructure and Developers Private Limited

Trishakti Real Estate Infrastructure and Developers Private Limited ("**Trishakti**") was incorporated on February 17, 2006 under the Companies Act, 1956. Trishakti is primarily engaged in the business of real estate development.

Our Promoters have 99.50% direct interest in Trishakti.

Financial performance

The audited financial results of Trishakti for fiscals 2009, 2008 and 2007 are set forth below:

(INR. in million, unless otherwise stated)

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity capital	20.10	0.10	0.10

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Reserves and surplus (excluding revaluation)	(0.10)	(0.06)	(0.03)
Sales/Turnover	-	0.00	-
Profit/(Loss) after tax	(0.03)	(0.03)	(0.01)
Earnings per share (Rs.) (Basic)	(1.66)	(3.33)	(2.89)
Earnings per share (Rs.) (Diluted)	(1.66)	(3.33)	(2.89)
Net asset value per share (Rs.)	9.81	3.47	6.63

36. MMS Energy Limited

MMS Energy Limited was incorporated on February 4, 2008, under the Companies Act, 1956. MMS Energy Limited is primarily engaged in the business of erection, construction, and establishment of power plants.

Our Promoters have 60.00% direct interest in MMS Energy Limited. Further, there are companies controlled by our Promoters which hold shares in MMS Energy Limited.

Financial performance

As MMS Energy Limited was incorporated on February 4, 2008, the audited financial results for fiscal 2007 are not available. The audited financial results for fiscal 2009 and 2008 are set forth below.

(INR. in million, unless otherwise stated)

	Fiscal 2009	Fiscal 2008
Equity capital	0.50	0.50
Reserves and surplus (excluding revaluation)	-	-
Sales/Turnover	-	-
Profit/(Loss) after tax	-	-
Earnings per share (Rs.) (Basic)	-	-
Earnings per share (Rs.) (Diluted)	-	-
Net asset value per share (Rs.)	0.89	1.06

37. Jindal Realty Private Limited

Jindal Realty Private Limited was incorporated on August 25, 2005 under the Companies Act, 1956. Jindal Realty Private Limited is primarily engaged in the business of construction and development.

Our Promoters have 99.90% direct interest in Jindal Realty Private Limited.

Financial performance

The audited financial results of Jindal Realty Private Limited for fiscals 2009, 2008 and 2007 are set forth below.

(INR. in million, unless otherwise stated)

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity capital	48.10	0.10	0.10
Reserves and surplus (excluding revaluation)	(219.66)	(219.53)	(219.44)
Sales/Turnover	-	-	9.67
Profit/(Loss) after tax	(0.13)	(0.09)	(178.12)
Earnings per share (Rs.) (Basic)	(7.45)	(8.78)	(17,812.30)
Earnings per share (Rs.) (Diluted)	(7.45)	(8.78)	(17,812.30)
Net asset value per share (Rs.)	(35.70)	(21,960.65)	(21,960.65)

Significant notes of auditors

Fiscal 2009

"In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, except in the case of land advances, which are subject to confirmations".

Fiscal 2008

"In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, except in the case of land, which are subject to confirmations".

"The company has incurred total loss of Rs. 87,810 during the financial year and Rs. 17,81,22,968 in the immediately preceding financial year".

Fiscal 2007

"In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the accounting policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, except in the case of certain sundry creditors and certain advances given against purchase of land, which are subject to confirmations".

"The company has incurred total loss of Rs. 17,81,22,968 during the financial year and Rs. 4,13,20,059 in the immediately preceding financial year".

38. Gagan Power Limited

Gagan Power Limited was incorporated on January 31, 2008 under the Companies Act, 1956. Gagan Power Limited is primarily engaged in the business of erection, construction, and establishment of power plants.

Our Promoters have 98.80% direct interest in Gagan Power Limited.

Financial performance

As Gagan Power Limited was incorporated on January 31, 2008, the audited financial results for fiscal 2007 are not available. The audited financial results for fiscal 2009 and 2008 are set forth below.

(INR. in million, unless otherwise stated)

	Fiscal 2009	**Fiscal 2008**
Equity capital	0.50	0.50
Reserves and surplus (excluding revaluation)	-	-
Sales/Turnover	-	-
Profit/(Loss) after tax	-	-
Earnings per share (Rs.) (Basic)	-	-
Earnings per share (Rs.) (Diluted)	-	-
Net asset value per share (Rs.)	(5.52)	0.82

39 .Minerals Management Services (India) Limited

Minerals Management Services (India) Limited was incorporated on March 6, 1995 under the Companies Act, 1956. Minerals Management Services (India) Limited is primarily engaged in the business of development of minerals.

Our Promoters have 29.20% direct interest in Minerals Management Services (India) Limited.

Financial performance

The audited financial results of Minerals Management Services (India) Limited for fiscals 2009, 2008 and 2007 are set forth below.

(INR. in million, unless otherwise stated)

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity capital	11.30	11.30	11.30
Reserves and surplus (excluding revaluation)	120.80	104.92	127.26
Sales/Turnover	29.28	34.82	186.65
Profit/(Loss) after tax	15.88	(22.35)	32.84
Earnings per share (Rs.) (Basic)	14.06	(19.78)	71.44
Earnings per share (Rs.) (Diluted)	14.06	(19.78)	71.44
Net asset value per share (Rs.)	116.90	102.85	122.62

Significant notes of auditors

Fiscal 2009

"The company does not have any accumulated losses. The company has not incurred cash losses in the current year under audit but company has incurred total losses of Rs. 2,23,47,389 in the preceding financial year".

Fiscal 2008

"The company does not have any accumulated losses. The company has not incurred cash losses in the current year under audit but company has incurred total losses of Rs. 2,23,47,390 in the financial year".

Fiscal 2007

"According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, service tax and cess were in arrears, as at March 31, 2007 for a period of more than six months from the date they became payable except fringe benefit tax of Rs. 76,584".

"According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used to finance short term assets except permanent working capital".

40. Jindal Strips Limited

Jindal Strips Limited was incorporated on October 19, 1983 under the Companies Act, 1956. Jindal Strips Limited is primarily engaged in the business of manufacturing strips, pipes from steel scrap, steel strips, sheets and plates.

Our Promoters have 39.44% direct interest in Jindal Strips Limited. Further, there are companies controlled by our Promoters which hold shares in Jindal Strips Limited.

Financial performance

The audited financial results of Jindal Strips Limited for fiscals 2009, 2008 and 2007 are set forth below.

(INR. in million, unless otherwise stated)

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity capital	0.51	0.51	0.51
Reserves and surplus (excluding revaluation)	-	-	-
Sales/Turnover	-	-	-
Profit/(Loss) after tax	-	-	-
Earnings per share (Rs.) (Basic)	-	-	-

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Earnings per share (Rs.) (Diluted)	-	-	-
Net asset value per share (Rs.)	75.51	76.64	77.53

41. Nalwa Investments Limited

Nalwa Investments Limited was incorporated on February 6, 1981 under the Companies Act, 1956. Nalwa Investments Limited is primarily engaged in the business of investments and finance.

There are companies controlled by our Promoters which hold shares in Nalwa Investments Limited.

Financial performance

The audited financial results of Nalwa Investments Limited for fiscals 2009, 2008 and 2007 are set forth below:

(INR. in million, unless otherwise stated)

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity capital	4.50	4.50	4.50
Reserves and surplus (excluding revaluation)	235.61	234.02	225.92
Sales/Turnover	26.61	28.25	52.64
Profit/(Loss) after tax	1.82	8.10	48.05
Earnings per share (Rs.) (Basic)	4.04	18.00	106.78
Earnings per share (Rs.) (Diluted)	4.04	18.00	106.78
Net asset value per share (Rs.)	533.58	530.04	512.04

Significant notes of auditors

Fiscal 2009

"According to the information and explanations given to us, the due outstanding of income tax on account of any dispute are as follows:

S. No	Name of Statute	Nature of Dues	Financial Year	Amount (Rs.)	From where dispute is pending
1.	Income Tax Act, 1961	Income Tax Demand	1992-93	1,83,56,217	CIT (Appeals), New Delhi
2.	Income Tax Act, 1961	Income Tax Demand	2003-04	42,91,077	Assessment Officer, New Delhi
3.	Income Tax Act, 1961	Income Tax Demand	2004-05	2,59,657	Assessment Officer, New Delhi
4.	Income Tax Act, 1961	Income Tax Demand	2005-06	2,56,972	CIT (Appeals), New Delhi
5.	Income Tax Act, 1961	Penalty	2004-05	39,27,965	CIT (Appeals), New Delhi"

Fiscal 2008

"The company has maintained proper record of transactions and contracts in respect of dealing and trading in shares, securities, debentures and other investments and that timely entry have been made therein. All shares, securities, debentures and other investments have been held by the company in its own name except the shares pledged with banks for credit facility availed by third parties".

Fiscal 2007

"According to the information and explanations given to us, the due outstanding of income tax on account of any dispute are as follows

S. No	Name of Statute	Nature of Dues	Financial Year	Amount (Rs.)	From where dispute is pending
1.	Income Tax Act, 1961	Income Tax Demand	2002-03	2,34,47,042	CIT (Appeals), New Delhi
2.	Income Tax Act, 1961	Income Tax Demand	2004-05	42,91,077	ITAT, New Delhi"

42. Abhinandan Investments Limited

Abhinandan Investments Limited was incorporated on April 6, 1983 under the Companies Act, 1956. Abhinandan Investments Limited is primarily engaged in the business of investments and finance.

There are companies controlled by our Promoters which hold shares in Abhinandan Investments Limited.

Financial performance

The audited financial results of Abhinandan Investments Limited for fiscals 2009, 2008 and 2007 are set forth below.

(INR. in million, unless otherwise stated)

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity capital	2.00	2.00	2.00
Reserves and surplus (excluding revaluation)	62.24	47.88	42.40
Sales/Turnover	14.95	5.89	21.44
Profit/(Loss) after tax	14.37	5.47	20.97
Earnings per share (Rs.) (Basic)	71.84	27.36	104.84
Earnings per share (Rs.) (Diluted)	71.84	27.36	104.84
Net asset value per share (Rs.)	321.22	249.38	222.02

Significant notes of auditors

Fiscal 2009

"According to the information and explanations given to us, the due outstanding of income tax on account of any dispute are as follows

S. No	Name of Statute	Nature of Dues	Financial Year	Amount (Rs.)	From where dispute is pending
1.	Income Tax Act, 1961	Income Tax Demand	2004-05	89,22,686	CIT (Appeals), New Delhi"

Fiscal 2008

"According to the information and explanations given to us, the due outstanding of income tax on account of any dispute are as follows

S. No	Name of Statute	Nature of Dues	Financial Year	Amount (Rs.)	From where dispute is pending
1.	Income Tax Act, 1961	Income Tax Demand	2004-05	89,22,686	CIT (Appeals), New Delhi"

43. Power Plant Engineers Limited

Power Plant Engineers Limited was incorporated on January 17, 2003 under the Companies Act, 1956. Power Plant Engineers Limited is primarily engaged in the business of erection, procurement, construction, engineering and establishment of power plants.

Our Promoters have 50.60% direct interest in Power Plant Engineers Limited. Further, there are companies controlled by our Promoters which hold further shares in Power Plant Engineers Limited.

Financial performance

The audited financial results of Power Plant Engineers Limited for fiscals 2009, 2008 and 2007 are set forth below.

(INR. in million, unless otherwise stated)

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity capital	0.50	0.10	0.10
Reserves and surplus (excluding revaluation)	-	-	-
Sales/Turnover	-	-	-
Profit/(Loss) after tax	-	-	-
Earnings per share (Rs.) (Basic)	-	-	-
Earnings per share (Rs.) (Diluted)	-	-	-
Net asset value per share (Rs.)	8.58	5.34	6.17

44. ***Raigarh Electrodes Limited***

Raigarh Electrodes Limited was incorporated on November 30, 1989 under the Companies Act, 1956. Raigarh Electrodes Limited is primarily engaged in the business of manufacturing, processing, assembling, repairing and import and export of electrode paste, graphite electrodes, welding rods, and all other kind of electrical goods.

Our Promoters have 40.00% direct interest in Raigarh Electrodes Limited. Further, there are companies controlled by our Promoters which hold shares in Raigarh Electrodes Limited.

Financial performance

The audited financial results of Raigarh Electrodes Limited for fiscals 2009, 2008 and 2007 are set forth below.

(INR. in million, unless otherwise stated)

	Fiscal 2009	**Fiscal 2008**	**Fiscal 2007**
Equity capital	8.00	8.00	8.00
Reserves and surplus (excluding revaluation)	5.67	9.84	15.56
Sales/Turnover	0.05	0.15	18.56
Profit/(Loss) after tax	(0.21)	(1.29)	(3.05)
Earnings per share (Rs.) (Basic)	(0.27)	(1.62)	(3.81)
Earnings per share (Rs.) (Diluted)	(0.27)	(1.62)	(3.81)
Net asset value per share (Rs.)	17.07	17.34	26.11

45. ***Kasai SUD Diamant SPRL***

Kasai SUD Diamant SPRL was incorporated on November 23, 2005 under the laws of Congo and is permitted *inter alia* to carry on business of mining, exploration and extraction.

There are companies controlled by our Promoters which hold shares in Kasai SUD Diamant SPRL.

Financial Performance

Under its laws of incorporation, Kasai SUD Diamant SPRL is not required to get its annual accounts audited as it is a company which is still in the phase of mining prospection.

46. ***Jindal Madagascar SARL***

Jindal Madagascar SARL was incorporated on September 1, 2009 under the laws of Madagascar and is permitted *inter alia* to carry on business of mining, exploration and extraction.

There are companies controlled by our Promoters which hold shares in Jindal Madagascar SARL.

Financial Performance

As Jindal Madagascar SARL was incorporated on September 1, 2009, the financial results for fiscal 2008, 2007 and 2006 are not available.

47. ***Jindal Investimentos LDA***

Jindal Investimentos LDA was incorporated on November 13, 2009 under the laws of Mozambique and is permitted *inter alia* to carry on business of mining, exploration and extraction.

There are companies controlled by our Promoters which hold shares in Jindal Investimentos LDA.

Financial Performance

As Jindal Investimentos LDA was incorporated on November 13, 2009, the financial results for fiscal 2008, 2007 and 2006 are not available.

48. ***Eastern Solid Fuels Pty Limited***

Eastern Solid Fuels Pty Limited was incorporated on April 1, 2004 under the Companies Act, 1973 of Republic of South Africa and is permitted *inter alia* to carry on business of Investment in moveable and immovable property.

There are companies controlled by our Promoters which hold shares in Eastern Solid Fuels Pty Limited.

Financial Performance

Eastern Solid Fuels Pty Limited became part of our group on June 1, 2009 pursuant to its acquisition by Jindal Mining & Exploration Limited, our group company. The audited financial results of Eastern Solid Fuels Pty Ltd for fiscal 2009, 2008 and 2007 are set forth below.

(Rand in million, unless stated otherwise)

	Fiscal 2009*	**Fiscal 2008***	**Fiscal 2007***
Equity capital	0.02	0.02	0.02
Reserves and surplus (excluding revaluation)	1.57	2.03	(0.01)
Sales/Turnover	-	-	-
Profit/(Loss) after tax	(0.44)	2.04	(0.01)
Earnings per share (Rand) (Basic)	(0.27)	1.24	Negligible
Earnings per share (Rand) (Diluted)	(0.27)	1.24	Negligible
Net asset value per share (Rand)	0.98	1.25	Negligible

**financial year ending February 28.*

49. ***Jindal Mining Pty Limited***

Jindal Mining Pty Limited was incorporated on July 7, 2000 under the Companies Act, 1973 of Republic of South Africa and is permitted *inter alia* to carry on business of trading in all commodities.

There are companies controlled by our Promoters which hold shares in Jindal Mining Pty Limited.

Financial Performance

Jindal Mining Pty Limited became part of our group on June 1, 2009 pursuant to its acquisition by Eastern Solid Fuels Pty Limited, our group company. The audited financial results of Jindal Mining Pty Limited for fiscal 2009, 2008 and 2007 as set forth below.

(Rand in million, Unless stated otherwise)

	Fiscal 2009*	**Fiscal 2008***	**Fiscal 2007***
Equity capital	Negligible	Negligible	Negligible
Reserves and surplus (excluding revaluation)	(0.35)	(0.31)	(0.22)
Sales/Turnover	-	-	-
Profit/(Loss) after tax	(0.04)	(0.09)	(0.02)
Earnings per share (Rand) (Basic)	(43.38)	(85.74)	(16.01)
Earnings per share (Rand)	(43.38)	(85.74)	(16.01)

	Fiscal 2009*	Fiscal 2008*	Fiscal 2007*
(Diluted)			
Net asset value per share (Rand)	(350.37)	(306.99)	(221.26)

**financial year ending February 28.*

50. ***Belde Empreendimentos Mineiros LTD***

Belde Empreendimentos Mineiros LTD was incorporated on December 21, 2005 under the laws of Mozambique and is permitted *inter alia* to carry on business of mining, exploration and extraction.

There are companies controlled by our Promoters which hold shares in Belde Empreendimentos Mineiros LTD.

Financial Performance

Belde Empreendimentos Mineiros LTD became part of our group on July 4, 2009 pursuant to its acquisition by JSPL Mozambique Minerais LDA, our group company. The financial results of Belde Empreendimentos Mineiros LTD are currently not available as Belde Empreendimentos Mineiros LTD has not started any commercial operations.

Group Companies with negative net worth

The following Group Companies have negative net worth.

1. PT Jindal Overseas;
2. Osho Madagascar SARL;
3. Jindal Realty Private Limited;
4. Jindal Mining Pty Limited;
5. JSPL Mozambique Minerais LDA;
6. Shresht Mining and Metals Private Limited; and
7. Gagan Power Limited.

Other Information

Sick Companies

None of the companies forming part of our Promoters or Group Companies have become sick companies within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and none of them is under winding up. Additionally, none of our Group Companies have become defunct in the five years preceding the date of filing of the Draft Red Herring Prospectus and no application has been made, in respect of any of the Group Companies, to the relevant Registrar of Companies for striking off their names.

For details of the Group Companies having business interests or other interests in the Company, see "***Financial Statements – Related Party Transactions"*** on page F47.

Disassociation by the Promoters in the last three years

Name of the Company	Date of Disassociation	Reasons for Disassociation
Jindal Steel & Power LLC	August 11, 2009	Winding up
Globeleq Singapore (Pte) Limited	December 18, 2009	Divestment

Sales between Group Companies, Subsidiaries and associates

Details relating to sales between our Company and our Group Companies, Subsidiaries and associates are as follows:

Sales

(Rs .in million)

	June 30, 2009									March 31, 2009								
Total Sales	12,591.32									32,574.74								
Particulars of Income	**Holding Companies**	**Amount**	**%**	**Associate companies**	**Amount**	**%**	**Subsidiary Companies**	**Amount**	**%**	**Holding Companies**	**Amount**	**%**	**Associate companies**	**Amount**	**%**	**Subsidiary Companies**	**amount**	**%**
Sale of Power	JSPL	394.91	3.14	-	-	-	CETCL	42.70	0.34	JSPL	596.73	1.83	-	-	-	-	-	-

Apart from the above, our Company has made purchases of capital and other goods aggregating to Rs. 33.20 million and Rs. 64.70 million from JSPL for the three month period ended June 30, 2009 and year ended March 31, 2009, respectively and Rs. 56.35 million from NSPL for the year ended March 31, 2009.

For further details, see "***Financial Statements – Related Party Transactions***" on page F47.

DIVIDEND POLICY

Our Company has paid dividend of Rs. 867.70 million, being 10%, on 867,700,000 Equity Shares in fiscal 2009. Other than this our Company has not paid any cash dividends on its Equity Shares in the past. Any future dividends declared would be at the discretion of the Board of Directors and would depend on our Company's financial condition, results of operations, capital requirements, contractual obligations, the terms of our credit facilities and other financing arrangements at the time dividend is considered, and other relevant factors. 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 loan or financing arrangements we may enter into to finance our projects.

SECTION V - FINANCIAL STATEMENTS

AUDITOR'S REPORT ON FINANCIAL INFORMATION IN RELATION TO DRAFT RED HERRING PROSPECTUS

(Financial information of Jindal Power Ltd.)

To
The Board of Directors,
Jindal Power Limited,
Jindal Centre,
12, Bhikaiji Cama Place,
New Delhi-110001
India

Dear Sirs,

We have examined (a) the restated unconsolidated financial information of Jindal Power Limited ("the Company") (b) the restated consolidated financial information of the Company and its subsidiaries (collectively described as "the Group") annexed to this report. The said restated financial information have been prepared by the management and approved by the Board of Directors, in accordance with the requirements of:

a. paragraph B (1) of Part II of Schedule II of the Companies Act, 1956 ("the Act") ;

b. the Securities and Exchange Board of India (Issue of Capital and Disclosures requirements) Regulations, 2009 (SEBI Regulations), to the extent applicable and the related clarifications thereto issued by the Securities and Exchange Board of India ("SEBI") pursuant to section 11 of the Securities and Exchange Board of India Act, 1992, as amended to date; and

c. the terms of our engagement agreed upon with you in accordance with our appointment letter dated October 30, 2009 in connection with the Draft Red Herring Prospectus ("DRHP") being issued by the Company for its proposed Initial Public Issue of Equity Shares.

1. **Restated financial information:**

   a. The restated unconsolidated financial information of the Company has been extracted from the audited unconsolidated financial statements as at and for the three months ended June 30, 2009 and years ended March 31, 2009, 2008, 2007, 2006 and 2005 which have been approved by the board of directors of the Company. The audited unconsolidated financial statements as at and for years ended March 31, 2009, 2008, 2007, 2006 and 2005 have also been adopted by the Members of the Company.

   b. The restated consolidated financial information of the Group has been extracted from the audited consolidated financial statements as at and for the three months ended June 30, 2009 and for the year ended March 31, 2009 which have been approved by the board of directors of the Company.

2. **Financial Information**

   We have examined the attached:

   a. Restated Summary Statement of Assets and Liabilities of the Company as at June 30, 2009, March 31, 2009, 2008, 2007, 2006 and 2005 (Annexure 1); Restated Summary Statement of Profit or Loss of the Company for the three months ended June 30, 2009 and for the years ended March 31, 2009, 2008, 2007 and 2006 (Annexure 2);and Restated Summary Statement of Cash Flows of the Company for the three months ended June 30, 2009 and for the years ended March 31, 2009, 2008, 2007, 2006 and 2005 (Annexure 3) together with Significant Accounting Policies as at June 30, 2009 and selected Notes thereto set out in Annexure 5 & 6;

   b. Restated Consolidated Summary Statement of Assets and Liabilities as at June 30, 2009 and March 31, 2009 (Annexure A); Restated Consolidated Summary Statement of Profit or Loss for the three months

ended June 30, 2009 and for the year ended March 31, 2009 (Annexure B); and Restated Consolidated Summary Statement of Cash Flows for the three months ended June 30, 2009 and for the year ended March 31, 2009 (Annexure C) together with Principles of Consolidation and the selected Notes thereto set out in Annexure E & F;

3. We did not audit the financial statements of the subsidiaries (detailed below), whose financial statements reflect total assets of Rs. 4022.11 million as at June 30, 2009 and total revenues of Rs. 1.28 million for the period then ended. The financial statements of the two subsidiaries, namely, Jindal Petroleum (Georgia) Limited and Jindal Petroleum (Mauritius) Limited, whose financial statements reflect total assets of Rs. 2534.04 million as at June 30, 2009 and total revenues of Rs. 0.03 million for the period then ended, which was furnished to us by the management, was unaudited. Further, the financial statements of other subsidiaries except one subsidiary namely Jindal Power Transmission Limited, have been audited by other auditors, whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of the said subsidiaries, is based solely on the reports of other auditors

(Rs. in Millions)

Name of Subsidiary	Auditor	Total Revenue for the period Ended		Total Assets As on	
		June 30, 2009	March 31, 2009	June 30, 2009	March 31, 2009
Jindal Hydro Power Limited	Jain Pramod Jain & Co.	*	*	0.05	0.05
Jindal Power Distribution Limited	B. M. Chatrath & Co.	*	*	0.50	0.50
Jindal Petroleum Limited	Jain Pramod Jain & Co.	*	*	@ 1364.86	614.94
Power Plant Engineers Limited	Jain Pramod Jain & Co.	*	*	@ 0.30	0.45
Chhattisgarh Energy Trading Company Limited	B. M. Chatrath & Co.	1.25	**	120.36	**
Attunli Hydro Electric Power Company Limited	B. M. Chatrath & Co.	*	**	1.00	**
Etalin Hydro Electric Power Company Limited	B. M. Chatrath & Co.	*	**	1.00	**
Jindal Petroleum (Mauritius) Limited	Un-audited	0.02	0.00	@ 1291.07	611.40
Jindal Petroleum (Georgia) Limited	Un-audited	0.01	0.00	@ 1242.97	585.01

* no profit & loss account have been prepared.
@ ceased to be subsidiaries.
** become subsidiaries during the three months ended June 30, 2009.

4. Without qualifying our opinion, we draw your attention to note no. 2 & 3 of Annexure-6 and note no. 1 of Annexure-F regarding certain adjustments made for the limited purpose of inclusion of restated financial information in the DRHP.

5. Based on our examination of the unconsolidated and consolidated financial information and the related Audit reports and on the basis of the information and explanations given to us, we report that:

   a. The accounting policies applied for preparation of unconsolidated financial information as at June 30, 2009 and for the three months period then ended and also for each of the years ended March 31, 2009, 2008, 2007, 2006, 2005 are in accordance with the applicable Accounting Standards. Accordingly, no adjustments on account of changes in accounting policies that have been made to the Company's unconsolidated audited financial statements for years/ periods presented except adjustments stated vide note No 2, 4 & 5 of Annexure 6;

   b. The accounting policies applied for preparation of consolidated financial information as at June 30, 2009 and for the three months period then ended and also for the year ended March 31, 2009 are in accordance with the applicable Accounting Standards. Accordingly, no adjustments on account of changes in accounting policies have been made to the Group's consolidated audited financial

statements for years/ periods presented except adjustments duly made vide note no 2 of Annexure F;

c. There are no material adjustments relating to previous years, which need to be adjusted in the financial information in the period to which they relate except adjustments stated vide note no 6 of Annexure 6 and note no. 5 of Annexure-F;

d. There are no extra ordinary items which need to be disclosed separately in the financial information; and

e. There are no qualifications in the auditor's report which require any adjustment to the financial information.

6. **Other Financial Information**

(a) We have also examined the other unconsolidated financial information relating to the Company for the three months ended June 30, 2009, for the year ended March 31, 2009, 2008, 2007, 2006 and 2005,listed below which is proposed to be included in the DRHP, as approved by the Board of Directors:

i. Statement of Other Income included in Annexure 7;
ii. Statement of Dividend paid/proposed included in Annexure 8;
iii. Statement of Capitalisation as at June 30, 2009 included in Annexure 9;
iv. Statement of Accounting Ratios included in Annexure 10;
v. Statement of Outstanding Secured Loans as at June 30, 2009 included in Annexure 11; and
vi. Statement of Tax Shelter included in Annexure 12.

(b) We have also examined the other unconsolidated financial information as set out in Annexure 4A to Annexure 4R relating to the Company

(c) We have also examined the other consolidated financial information relating to the Group as at and for the three months ended June 30, 2009, for the year ended March 31, 2009, listed below, which is proposed to be included in the DRHP, as approved by the Board of Directors:

i. Statement of Other Income included in Annexure-G;
ii. Statement of Capitalisation as at June 30, 2009 included in Annexure-H;
iii. Statements of Accounting ratios included in Annexure-I; and
iv. Statement of Tax Shelter included in Annexure J.

(d) We have also examined the other consolidated financial information as set out in Annexure D-I to Annexure D-XV relating to the Group.

(e) The Company has prepared the "Statement of Key Differences between Indian GAAP, IFRS and U.S. GAAP" as set out in Annexure-13. We have read the Summary and confirm that we are not aware of any material differences between Indian GAAP and International Financial Reporting Standards ("IFRS") or accounting principles generally accepted in the United States ("U.S. GAAP") applicable to the Company, except as described in Annexure-13.

7. In our opinion the financial information and other financial information read with the notes of the Company, as attached to this report, as mentioned in paragraphs 2 and 6 above, prepared by the Company after making adjustments and regrouping as considered appropriate, have been prepared in accordance with paragraph B (1) of Part II of Schedule II of the Act and the SEBI Regulations, as amended from time to time. The aforesaid work has not been carried out in accordance with auditing standards generally accepted in United states of America or outside India and accordingly should not be relied on as if it had been carried out in accordance with those standards. Our work has been carried out in accordance with auditing standards generally accepted in India and as per the Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India.

8. This report should not, in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us for the respective years nor should this report be construed as a new opinion

on any of the audited financial statements referred to herein. We have no responsibility to update our reports for events and circumstances occurring after the date of the report.

9. Our report is intended solely for the use of the management and for inclusion in the DRHP in connection with the proposed initial public offer of equity shares of the Company and should not be used for any other purposes except with our prior consent in writing.

For Lodha & Co.,
Chartered Accountants

(Saurabh Chhajer)
Partner
Membership Number: 403325
Firm Registration Number: **301051E**

Place: New Delhi
Date: December 18, 2009

JINDAL POWER LIMITED

ANNEXURE-1

SUMMARY STATEMENT OF ASSETS AND LIABILITIES - RESTATED

(Rs. in Million)

		As at 30th June, 2009	As at March 31,				
			2009	2008	2007	2006	2005
A	**Fixed Assets :**						
	Gross Block	41,364.23	41,350.59	19,492.45	645.75	517.86	75.65
	Less : Depreciation	7,530.82	6,233.61	873.63	35.48	20.24	8.22
	Net Block	33,833.41	35,116.98	18,618.82	610.27	497.62	67.43
	Capital Work In Progress (including Capital Advances)	11,738.19	8,103.34	21,192.89	28,176.63	10,309.56	2,378.18
	Total Fixed Assets	**45,571.60**	**43,220.32**	**39,811.71**	**28,786.90**	**10,807.18**	**2,445.61**
B	**Investments**	**89.22**	**2,444.31**	**970.00**	**384.50**	**3.49**	**-**
C	**Deferred Tax Assets (net)**	**-**	**-**	**490.88**	**91.29**	**5.65**	**-**
D	**Current Assets, Loans And Advances**						
	Inventories	350.32	272.73	145.26	-	-	-
	Sundry Debtors	2,779.55	2,317.81	772.00	-	-	-
	Cash And Bank Balances	68.84	3,341.34	277.05	404.10	688.82	9.99
	Loans And Advances	15,131.37	9,934.49	91.40	132.55	18.13	3.52
	Other Current Assets	-	-	1.00	30.06	-	-
	Total Current Assets, Loans And Advances	**18,330.08**	**15,866.37**	**1,286.71**	**566.71**	**706.95**	**13.51**
E	**Total Assets (A+B+C+D)**	**63,990.90**	**61,531.00**	**42,559.30**	**29,829.40**	**11,523.27**	**2,459.12**
F	**Liabilities And Provisions**						
	Secured Loans	23,582.03	31,327.65	30,849.29	11,121.25	5,018.75	-
	Unsecured Loans	-	-	-	8,091.31	816.49	18.59
	Deferred Tax Liabilities (net)	1,217.73	1,172.68	-	-	-	-
	Current Liabilities And Provisions	8,080.63	4,947.47	3,459.74	4,243.92	2,075.33	41.85
	Total Liabilities & Provision	**32880.39**	**37447.80**	**34309.03**	**23456.48**	**7910.57**	**60.44**
G	**Advance Against Share Application Money, Pending Allotment**	**-**	**-**	**-**	**60.00**	**-**	**2,389.82**
H	**Net Worth (E-F-G)**	**31,110.51**	**24,083.20**	**8,250.27**	**6,312.92**	**3,612.70**	**8.86**
	Represented By :-						
	1) Equity Share Capital	8,677.00	8,677.00	8,677.00	6,493.97	3,624.97	10.00

		As at 30th June, 2009	As at March 31,				
			2009	2008	2007	2006	2005
	2) Reserve & Surplus	22,433.51	15,406.20	(426.73)	(181.00)	(12.22)	(1.09)
	Less: Miscellaneous Expenditure (to the extent not written off or adjusted	-	-	-	0.05	0.05	0.05
	Reserve & Surplus (net of miscellaneous expenditure)	22,433.51	15,406.20	(426.73)	(181.05)	(12.27)	(1.14)
	Net Worth	**31,110.51**	**24,083.20**	**8,250.27**	**6,312.92**	**3,612.70**	**8.86**

Notes :-

The Above information should be read with significant accounting policies appearing in Annexure 5, together with notes to the Statement of Profit & Losses and Assets and Liabilities, as restated, appearing in Annexure 6.

JINDAL POWER LIMITED

ANNEXURE-2

SUMMARY STATEMENT OF PROFIT & LOSS – RESTATED

(Rs. in Million)

	For the Three Months Ended June 30th, 2009	For the Year Ended March 31,			
		2009	2008	2007	2006
Income					
Sale of Power	12,591.32	32,584.78	1,263.56	-	-
Less : Electricity Duty	-	10.04	9.66	-	-
Net Sales	12,591.32	32,574.74	1,253.90	-	-
Other Income	207.23	567.90	4.75	-	-
Total Income	**12,798.55**	**33,142.64**	**1,258.65**	**-**	**-**
Expenditure					
Cost of Fuel	1,076.36	2,500.35	136.43	-	-
Staff Cost	117.56	264.61	19.36	-	-
Other Manufacturing Expenses	150.93	430.53	39.05	-	-
Selling And Distribution Expenses	347.70	1,229.69	0.70	-	-
Administration And Other Expenses	161.32	1,074.38	103.48	-	-
Interest & Bank Charges	749.77	3,131.40	464.70	-	-
Total Expenditure	**2,603.64**	**8,630.96**	**763.72**	**-**	**-**
Profit Before Depreciation & Tax	**10,194.91**	**24,511.68**	**494.93**	**-**	**-**
Depreciation	1,182.74	5,307.26	275.13	-	-
Profit Before Tax	**9,012.17**	**19,204.42**	**219.80**	**-**	**-**
Provision For Current Tax	1,531.61	2,206.65	24.66	-	-
Deferred Tax	45.05	1,172.68	-	-	-
Provision For Wealth Tax	0.43	0.81	0.11	-	-
Provision For Fringe Benefit Tax	-	5.00	0.71	-	-
Profit After Tax	**7,435.08**	**15,819.28**	**194.32**	**-**	**-**
Adjustment for Change in Accounting Policy					
- Depreciation	-	546.79	(546.79)	-	-
- Mine Development Expenses	-	565.15	(291.92)	(254.44)	(18.79)
- Employee Benefits	-	-	(0.94)	0.02	2.01
Other Adjustments (Refer note no. 6(a) of Annexure-6)	(491.26)	491.26	-	-	-

	For the Three Months Ended June 30th, 2009	For the Year Ended March 31,			
		2009	2008	2007	2006
Total Adjustments	**(491.26)**	**1,603.20**	**(839.65)**	**(254.42)**	**(16.78)**
Tax Impact on above adjustments	83.49	(574.38)	399.60	85.64	5.65
Total Adjustments After Tax Impact	**(407.77)**	**1,028.82**	**(440.05)**	**(168.78)**	**(11.13)**
Profit After Tax, As Restated	**7,027.31**	**16,848.10**	**(245.73)**	**(168.78)**	**(11.13)**

Notes :-
The Above information should be read with significant accounting policies appearing in Annexure 5, together with notes to the Summary Statement of Profit & Loss and Assets and Liabilities, as restated, appearing in Annexure 6.

JINDAL POWER LIMITED

ANNEXURE – 3

SUMMARY STATEMENT OF CASH FLOW – RESTATED

(Rs. In Million)

		For the Three Months Ended June 30th, 2009	For the Year Ended March 31st,				
			2009	2008	2007	2006	2005
A	**CASH INFLOW(OUTFLOW) FROM OPERATING ACTIVITIES**						
	NET PROFIT BEFORE TAX, AS RESTATED	8,520.91	20,807.62	(619.85)	(254.42)	(16.78)	-
	ADJUSTMENT FOR:-						
	Depreciation	1,297.47	5,360.98	821.92	-	-	-
	Miscellaneous expenditure written off during the year	-	-	358.29	-	-	-
	Loss on sale of Fixed Assets (net)	0.05	0.53	0.01	-	-	-
	Dividend received on Investment	-	(0.72)	(1.31)	-	-	-
	Interest Paid	745.32	3,113.91	464.50	-	-	-
	Interest Received	(142.07)	(435.57)	(2.11)	-	-	-
	Profit on Sale of Current Investments	(54.88)	-	-	-	-	-
	Operating Profit before working capital changes	**10,366.80**	**28,846.75**	**1,021.45**	**(254.42)**	**(16.78)**	**-**
	Adjustment for changes in:-						
	Inventories	(77.59)	(127.47)	(145.26)	-	-	-
	Sundry Debtors	(461.74)	(1,545.81)	(772.00)	-	-	-
	Loans & Advances	(9.20)	(177.26)	77.57	(99.82)	(11.91)	(3.28)
	Other Current Assets	-	1.00	29.06	(30.06)	-	-
	Current Liabilities & Provisions	1,669.82	(1,823.32)	(809.55)	2,168.59	2,033.48	38.10
	Cash Generated from Operations	**11,488.09**	**25,173.89**	**(598.73)**	**1,784.29**	**2,004.79**	**34.82**
	Income Tax Paid	697.46	2,058.62	36.49	14.60	2.69	-
	Net Cash Flow From Operating Activities	**10,790.63**	**23,115.27**	**(635.22)**	**1,769.69**	**2,002.10**	**34.82**
B	**CASH INFLOW / (OUTFLOW) FROM INVESTMENT ACTIVITIES**						

		For the Three Months Ended June 30th, 2009	For the Year Ended March 31st,				
			2009	**2008**	**2007**	**2006**	**2005**
	Sale Proceeds of Fixed Assets	0.02	0.77	0.58	2.04	0.23	-
	Adjustment for Depreciation	-	-	16.27	15.38	15.67	2.18
	Purchases of Fixed Assets	(13.93)	(21,860.52)	(18,847.36)	(130.08)	(446.08)	(53.80)
	Loans & Advances	(3880.19)	(7607.21)	-	-	-	-
	Miscellaneous Expenditure	-	-	(358.24)	-	-	-
	(Increase)/Decrease in Investment	1,814.69	(1,474.32)	(585.50)	(381.01)	(3.49)	-
	Additions to Capital work in progress	(3,634.85)	13,089.54	6,983.74	(17,867.06)	(7,931.38)	(2,201.98)
	Interest Received	142.07	435.57	2.11	-	-	-
	Dividend received on Investment	-	0.72	1.31	-	-	-
	Net Cash Flow From Investing Activities	**(5,572.19)**	**(17,415.45)**	**(12,787.09)**	**(18,360.73)**	**(8,365.05)**	**(2,253.60)**
C	**CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES**						
	Proceeds from Borrowings	-	1,289.02	19,728.20	15,602.54	7,177.00	780.00
	Share Application Money Received/(Refunded)	-	-	(60.00)	60.00	(2,389.82)	2,386.96
	Issue of Equity Share Capital	-	-	2,183.03	2,869.00	3,614.97	-
	Interest Paid	(745.32)	(3,113.91)	(464.50)	-	-	-
	Repayment of Borrowings	(7,745.62)	(810.65)	(8,091.47)	(2,225.22)	(1,360.36)	(938.38)
	Net cash inflow/(outflow) from Financing Activities	**(8,490.94)**	**(2,635.54)**	**13,295.26**	**16,306.32**	**7,041.79**	**2,228.58**
	NET CHANGES IN CASH & CASH EQUIVALENTS(A+B+C)	**(3,272.50)**	**3,064.29**	**(127.05)**	**(284.72)**	**678.84**	**9.80**
	Cash & Cash equivalents (Opening Balance)	3,341.34	277.05	404.10	688.82	9.99	0.19
	Cash & Cash equivalents (Closing Balance)	**68.84**	**3,341.34**	**277.05**	**404.10**	**688.83**	**9.99**
	Notes:						
1	Cash and cash Equivalents Include:						
	- Cash, Cheques in hand and Remittances in transit	0.92	665.87	3.70	3.02	116.04	0.53
	- Balances with						

		For the Three Months Ended June 30th, 2009	For the Year Ended March 31st,				
			2009	**2008**	**2007**	**2006**	**2005**
	Schedule Banks	67.92	2,675.47	273.35	251.08	572.79	9.46
	- Balances with other Banks	-	-	-	150.00	-	-
	Total	**68.84**	**3,341.34**	**277.05**	**404.10**	**688.83**	**9.99**
2.	Acquisition and disposal of subsidiaries during the three months ended 30.06.2009 are cash neutral						
3.	The Above information should be read with significant accounting policies appearing in Annexure 5, together with notes to the Statement of Profit & Loss and Assets and Liabilities, as restated, appearing in Annexure 6.						

JINDAL POWER LIMITED

ANNEXURE - 4A

Details of Fixed Assets

(Rs. In Million)

	As at 30.06.2009	As at March 31,				
		2009	2008	2007	2006	2005
Freehold Land	129.39	126.45	95.15	78.61	35.88	26.40
Leasehold Land						
Gross Block	505.56	505.56	481.61	470.13	401.22	18.26
Less: Accumulated Depreciation	26.24	24.25	15.88	7.72	1.85	-
Net Block	**479.32**	**481.31**	**465.73**	**462.41**	**399.37**	**18.26**
Buildings						
Gross Block	5,896.40	5,809.66	4,878.31	4.31	4.31	4.79
Less: Accumulated Depreciation	754.47	633.38	139.31	0.85	0.77	0.77
Net Block	**5,141.93**	**5,176.28**	**4,739.00**	**3.46**	**3.54**	**4.02**
Plant & Machinery						
Gross Block	34,619.76	34,707.12	13,930.15	12.22	9.58	2.03
Less: Accumulated Depreciation	6,662.56	5,497.61	665.75	0.89	0.33	0.04
Net Block	**27,957.20**	**29,209.51**	**13,264.40**	**11.33**	**9.25**	**1.99**
Office Equipments						
Gross Block	72.89	66.40	43.57	38.67	33.47	14.01
Less: Accumulated Depreciation	33.20	30.85	23.59	10.43	6.43	2.65
Net Block	**39.69**	**35.55**	**19.98**	**28.24**	**27.04**	**11.36**
Furniture & Fixtures						
Gross Block	67.38	65.36	37.23	21.37	13.50	3.22
Less: Accumulated Depreciation	29.35	26.89	15.79	8.64	5.97	1.55
Net Block	**38.03**	**38.47**	**21.44**	**12.73**	**7.53**	**1.67**
Vehicles						
Gross Block	67.78	65.82	22.21	16.22	16.12	6.94
Less: Accumulated Depreciation	19.93	16.41	9.07	2.73	1.11	3.21
Net Block	**47.85**	**49.41**	**13.14**	**13.49**	**15.01**	**3.73**

	As at 30.06.2009	As at March 31,				
		2009	2008	2007	2006	2005
Intangible Assets: Software						
Gross Block	5.07	4.22	4.22	4.22	3.78	-
Less: Accumulated Depreciation	5.07	4.22	4.22	4.22	3.78	-
Net Block	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL:						
Gross Block	41,364.23	41,350.59	19,492.45	645.75	517.86	75.65
Less: Accumulated Depreciation	7,530.82	6,233.61	873.63	35.48	20.24	8.22
Net Block	**33,833.41**	**35,116.98**	**18,618.82**	**610.27**	**497.62**	**67.43**

JINDAL POWER LIMITED

ANNEXURE - 4B

Details of Investments are as follows:-

(Rs. In Million)

	As at 30.06.2009	As at March 31,				
		2009	2008	2007	2006	2005
Investments in Equity Shares of Body Corporates						
Long-Term Investments						
In Subsidiaries (Trade)						
- Jindal Power Distribution Limited	0.49	0.49	-	-	-	-
- Jindal Power Transmission Limited	0.49	0.49	-	-	-	-
- Jindal Hydro Power Limited	0.49	0.49	-	-	-	-
- Chhattisgarh Energy Trading Company Limited	60.45	-	-	-	-	-
- Attunli Hydro Electric Power Company Limited*	7.40	-	-	-	-	-
- Etalin Hydro Electric Power Company Limited* (* Pending Allotment)	7.40	-	-	-	-	-
In Subsidiaries (Non Trade)						
- Jindal Petroleum Limited	-	609.50	-	-	-	-
- Power Plant Engineers Limited	-	0.50	-	-	-	-
Short-Term Investments						
In Equity Shares (Non Trade)						
- India Energy Exchange Limited	12.50	12.50	-	-	-	-
Investments in Equity Shares of Body Corporates	89.22	623.97	-	-	-	-
Bonds	-	-	-	284.50	-	-
Mutual Funds	-	1,820.34	970.00	100.00	3.49	-
TOTAL	**89.22**	**2,444.31**	**970.00**	**384.50**	**3.49**	**-**

Note: The Company does not have any quoted investment as on 30th June, 2009, 31st March ending on 2009,2008,2007,2006 and 2005.

JINDAL POWER LIMITED

ANNEXURE - 4C

Details of Share Capital

(Rs. In Million)

	As at 30.06.2009	As at March 31,				
		2009	2008	2007	2006	2005
Equity Share Capital (Face Value: Rs. 10/- each)	8,677.00	8,677.00	8,677.00	6,493.97	3,624.97	10.00
TOTAL	**8,677.00**	**8,677.00**	**8,677.00**	**6,493.97**	**3,624.97**	**10.00**

JINDAL POWER LIMITED

ANNEXURE – 4D

Details of Reserve & Surplus

(Rs. In Million)

	As at 30.06.2009	As at March 31,				
		2009	2008	2007	2006	2005
Surplus/(Deficit) in Profit & Loss Account						
Opening Balance	15,406.20	(426.73)	(181.00)	(12.22)	(1.09)	(1.09)
Addition during the year	7,027.31	15,832.93	(245.73)	(168.78)	(11.13)	-
Closing Balance	**22,433.51**	**15,406.20**	**(426.73)**	**(181.00)**	**(12.22)**	**(1.09)**

JINDAL POWER LIMITED

ANNEXURE - 4E

Details of Secured Loans are as follows:

(Rs. In Million)

	As at 30.06.2009	As at March 31,				
		2009	2008	2007	2006	2005
Term Loans from:						
Financial Institutions	-	4,987.50	5,250.00	3,702.40	1,758.10	-
Banks	23,582.03	26,340.15	25,599.29	7,418.69	3,260.40	-
Vehicle Loans from Banks	-	-	-	0.16	0.25	-
Total	23,582.03	31,327.65	30,849.29	11,121.25	5,018.75	-
Note: The details of principle terms and conditions of secured loans outstanding as at June 30, 2009 are disclosed in Annexure 11.						

JINDAL POWER LIMITED

ANNEXURE - 4F

Details of Unsecured Loans are as follows:

(Rs. In Million)

	As at 30.06. 2009	**As at March 31,**				
		2009	**2008**	**2007**	**2006**	**2005**
Term Loans from:						
Financial Institutions	-	-	-	2,000.00	497.90	-
Banks	-	-	-	6,091.31	300.00	-
Others	-	-	-	-	18.59	18.59
Total	-	-	-	8,091.31	816.49	18.59
Amount Taken from Promoters/Promoter Group, Group Companies, Subsidiaries, associate and directors included in Unsecured Loans above	-	-	-	-	-	-

JINDAL POWER LIMITED

ANNEXURE - 4G

Details of Deferred Tax Liability/(Assets)-Net

(Rs. In Million)

	As at 30.06.2009	As at March 31,				
		2009	2008	2007	2006	2005
Deferred Tax Liability						
Related to Depreciation	1,217.73	1,180.94	1,450.17	-	-	-
Others	-	-	-	0.68	0.68	-
TOTAL	1,217.73	1,180.94	1,450.17	0.68	0.68	-
Deferred Tax Assets						
Related to Mine Development Expenses	-	-	191.19	91.97	6.33	-
Unabsorbed Depreciation & Losses	-	-	1,748.81	-	-	-
Others	-	8.26	1.05	-	-	-
TOTAL	-	8.26	1,941.05	91.97	6.33	-
Deferred Tax Liability/(Assets)-Net	**1,217.73**	**1,172.68**	**(490.88)**	**(91.29)**	**(5.65)**	**-**

Note: *The Company being a company in power sector is eligible to claim deduction under Section 80 IA of the Income Tax Act 1961 with respect to 100% of the profits and gains derived from this business for ten years. In accordance with Accounting Standard Interpretation (ASI)-3 Issued by the Institute of Chartered Accountants of India, the deferred tax in respect of timing difference which is reversible during the tax holiday period have not been recognized based on the management assessment on future taxable income.*

JINDAL POWER LIMITED

ANNEXURE - 4H

Details of Sundry Debtors are as follows :-

(Rs. In Million)

	As at 30.06.2009	**As at March 31,**				
		2009	**2008**	**2007**	**2006**	**2005**
Debtors (unsecured, considered goods) :						
(I) Debts over six months	3.00	3.00	-	-	-	-
(II) Other Debts	2,776.55	2,314.81	772.00	-	-	-
Total Debtors	**2,779.55**	**2,317.81**	**772.00**	**-**	**-**	**-**
Amount Taken from Promoters/Promoter Group, Group Companies, Subsidiaries, associate and directors included in Sundry Debtors above	491.70	324.50	86.36	-	-	-

JINDAL POWER LIMITED

ANNEXURE - 4I

Details of Loans and Advances are as follows:

(Rs. In Million)

	As at 30.06.2009	As at March 31,				
		2009	2008	2007	2006	2005
Advances recoverable in cash or in kind or value to be received*	11,419.00	7,704.17	21.76	110.11	5.07	2.11
Advance Against Share Application Money, Pending Allotment**	755.00	5.00	-	-	-	-
Balances with Government Authorities and Others	-	15.01	3.21	-	-	-
Security Deposits	13.40	13.40	12.65	5.15	10.37	1.41
Accrued Interest	134.11	84.51	-	-	-	-
Income Tax Advance Payments (including TDS Receivables)	2,809.86	2,112.40	53.78	17.29	2.69	-
TOTAL LOANS & ADVANCES	**15,131.37**	**9,934.49**	**91.40**	**132.55**	**18.13**	**3.52**
Amount Taken from Promoters/Promoter Group, Group Companies, Subsidiaries, associate and directors included in Loans & Advances above	8,974.60	4,220.34	-	53.50	-	-

** includes amounting to Rs. 2525.00 million paid to Arunachal Pradesh Government on account of Upfront fees including Processing fees for two purposed project (to be implemented by two JV company) in the state of Arunachal Pradesh namely Etalin & Attunli project. On implementation of above stated project amount will be transferred / recovered.*

*** Subsequent to balance sheet date, Company has received Rs. 360.00 million against 'Advance Against Share Application Money'.This Amount Stand reduced to Rs.395.00 million.*

JINDAL POWER LIMITED

ANNEXURE - 4J

Details of Other Current Assets :

(Rs. In Million)

	As at 30.06.2009	As at March 31,				
		2009	2008	2007	2006	2005
Interest Accrued on Investments	-	-	1.00	30.06	-	-
TOTAL	**-**	**-**	**1.00**	**30.06**	**-**	**-**

JINDAL POWER LIMITED

ANNEXURE - 4K

Details of Inventories:

(Rs. In Million)

	As at 30.06.2009	As at March 31,				
		2009	2008	2007	2006	2005
Coal & Fuel	70.73	117.58	65.16	-	-	-
Stores & Spares	279.59	155.15	80.10	-	-	-
TOTAL	**350.32**	**272.73**	**145.26**	-	-	-

JINDAL POWER LIMITED

ANNEXURE - 4L

Details of Cash & Bank Balances:

(Rs. In Million)

	As at 30.06.2009	As at March 31,				
		2009	2008	2007	2006	2005
Cash in Hand	0.92	1.57	1.63	3.02	1.66	0.53
Cheques in Hand	-	664.30	2.07	-	114.37	-
Balances with Scheduled Banks						
- In current account	67.87	155.42	23.30	51.02	422.74	9.41
- In Fixed Deposit account	0.05	2,520.05	250.05	200.06	150.05	0.05
Balances with Other Banks						
-In Fixed Deposit account	-	-	-	150.00	-	-
TOTAL	**68.84**	**3,341.34**	**277.05**	**404.10**	**688.82**	**9.99**

JINDAL POWER LIMITED

ANNEXURE - 4M

Details of Current Liabilities and Provisions:

(Rs. In Million)

	As at 30.06.2009	As at March 31,				
		2009	2008	2007	2006	2005
A) Current Liabilities:						
Sundry Creditors	1,253.21	1,317.53	3,314.57	4,165.42	2,043.66	33.25
Duties & Taxes	36.63	26.49	29.36	-	-	-
Other Liabilities	1,951.22	224.24	69.56	56.53	25.75	5.89
Total (A)	**3,241.06**	**1,568.26**	**3,413.49**	**4,221.95**	**2,069.41**	**39.14**
B) Provisions:						
Provision for Employee Benefits	42.81	30.52	3.57	4.20	3.27	2.71
Provision for Taxation	3,780.31	2,332.24	42.10	17.44	2.65	-
Fringe Benefit Tax (net)	1.28	1.28	0.58	0.33	-	-
Proposed Dividend	867.70	867.70	-	-	-	-
Provision for Corporate Dividend Tax	147.47	147.47	-	-	-	-
Total (B)	**4,839.57**	**3,379.21**	**46.25**	**21.97**	**5.92**	**2.71**
Total (A) + (B)	**8,080.63**	**4,947.47**	**3,459.74**	**4,243.92**	**2,075.33**	**41.85**

JINDAL POWER LIMITED

ANNEXURE - 4N

Details of Miscellaneous Expenses:

(To the extent not written off or adjusted)

(Rs. In Million)

	As at 30.06.2009	As at March 31,				
		2009	2008	2007	2006	2005
Preliminary Expenses	-	-	-	0.05	0.05	0.05
TOTAL	**-**	**-**	**-**	**0.05**	**0.05**	**0.05**

JINDAL POWER LIMITED

ANNEXURE - 4O

Details of Staff Cost

(Rs. In Million)

	For the Three Months Ended June 30th, 2009	For the Year ended March 31,	
		2009	2008
Salary, Wages, Bonus and Other Benefits	108.18	231.91	16.35
Contribution to Provident and Other Funds	3.89	8.89	0.89
Workman & Staff Welfare Expenses	5.49	23.81	2.12
Total	**117.56**	**264.61**	**19.36**

JINDAL POWER LIMITED

ANNEXURE - 4P

Details of Other Manufacturing Expenses

(Rs. In Million)

	For the Three Months Ended June 30th, 2009	For the Year ended March 31,	
		2009	2008
Stores and Spares consumed	8.27	49.51	9.18
Repairs to Buildings	28.76	129.03	3.26
Repairs to Plant and Machinery	97.87	166.00	7.03
Other Expenses	16.03	85.99	19.58
Total	**150.93**	**430.53**	**39.05**

JINDAL POWER LIMITED

ANNEXURE - 4Q

Details of Administrative and Other Expenses:

(Rs. In Million)

	For the Three Months Ended June 30th, 2009	For the Year ended March 31,	
		2009	2008
Travelling and Conveyance	6.01	15.69	1.20
Legal, Professional & Consultancy Fees	40.47	46.61	4.23
Repair and Maintenance - Others	38.96	119.94	6.01
Vehicles Running and Maintenance	3.66	16.88	1.92
Rates & Taxes	1.74	5.23	0.10
Insurance	13.49	16.94	3.25
Rent	-	9.32	0.38
Green Belt Development Expenses	4.19	73.90	5.84
Office Maintenance	3.75	39.39	2.81
Security Expenses	16.72	39.09	2.96
Loss on sale of Fixed Assets	0.05	0.53	-
Misc Expenditure Written off	-	565.15	66.37
Other Expenses	32.28	125.71	8.41
Total	**161.32**	**1,074.38**	**103.48**

JINDAL POWER LIMITED

ANNEXURE - 4R

Details of Interest & Bank Charges

(Rs. In Million)

	For the Three Months Ended June 30th, 2009	For the Year ended March 31,	
		2009	2008
Interest- Term Loans	745.20	3,113.80	464.43
Interest- Others	-	0.11	0.08
Bank Charges	4.57	17.49	0.19
Total	**749.77**	**3,131.40**	**464.70**

JINDAL POWER LIMITED

ANNEXURE-5

SIGNIFICANT ACCOUNTING POLICIES

1 **Basis of Accounting**

The accounts of the Company are prepared under the historical cost convention and in accordance with applicable Companies Accounting Standards Rules, 2006 except where otherwise stated. For recognition of income and expenditure, mercantile system of accounting is followed.

2 **Revenue Recognition Policy**

Revenue from sale or sale of power is accounted for on the basis of billing to consumers. Generally, all consumers are billed on the basis of recording of consumption of energy by installed meters.

3 **Fixed Assets**

Fixed assets are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any attributable cost of bringing the asset to working condition for its intended use i.e. cost of acquisition of assets and incidental expenditure incurred upto the date of installation/ use.
Certain Plant & Machineries have been considered as continuous plant on the basis of the technical assessment of the management.

4 **Expenditure During Construction Period**

Expenditure incurred during construction/ erection period are carried forward and allocated appropriately at the time of completion/installation of fixed assets.

5 **Depreciation/Amortization & Impairment of Assets**

Depreciation/Amortization

Depreciation on fixed assets is provided on Written Down Value method at the rates specified in Schedule XIV to the Companies Act, 1956.
Assets costing upto Rs.5000/- are depreciated fully in the year of purchase/ capitalization.
Leasehold Land is amortised over the period of lease.
Intangible assets are being amortised over the expected duration of benefits.

Impairment

The carrying amount of the assets is reviewed at each Balance Sheet date. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount.

6 **Investment**

Long term investments are carried at cost, less provision for diminution other than temporary, if any, in the value of such investments. Current investments are carried at lower of cost or fair value.

7 **Inventories**

Inventories are valued at lower of cost or net realisable value except waste / scrap which is valued at net realisable value. The cost is computed on weighted average basis.

8 **Foreign Exchange Transactions**

Transactions in foreign currency are recorded at the rates prevailing on the date of transaction. Outstanding foreign currency monetary assets and liabilities are translated at the exchange rate prevailing at year-end. Exchange difference is charged to the Profit & Loss account. Premium/ discount in respect of forward contract is recognised over the life of contract.

9 **Employees Benefits**

a) Contribution to Gratuity is made with Life Insurance Corporation of India and provision for Gratuity & Leave Encashment benefits are accounted on the basis of actuarial valuation.

b) Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognised as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

10 **Miscellaneous Expenditure**

The following expenditure shown under miscellaneous expenditure is amortised as follows:

a) Preliminary expenses are written off in the year of start of production.

b) Mines Development Expenditure (Comprises of Initial expenditure for coalmines and expenditure for removal of overburden) is charged to the profit & loss in the year in which the same is incurred

11 **Taxes on Income**

Current tax is the amount of tax payable on the taxable income for the current year as per the provisions of Income tax Act, 1961. Credit in respect of Minimum Alternate Tax paid is recognised only if there is convincing evidence of realisation of the same.

Deferred tax is recognised at rates in force/substantively enacted subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets on unabsorbed depreciation and carried forward losses are recognized only if there is virtual certainty that they will be reversed in subsequent years. Deferred tax assets on other reversible differences are recognized only if there is reasonable certainty that they will be realized.

12 **Borrowing Costs**

Interest and other costs in connection with the borrowing of the funds to the extent related/attributed to the acquisition / construction of qualifying fixed assets are capitalised upto the date when such assets are ready for its intended use and on account of others are charged to the Profit & Loss account.

13 **Contingent Liabilities**

Contingent liabilities are not provided for in the books of accounts and are disclosed by way of notes.

JINDAL POWER LIMITED

ANNEXURE-6

Selected Notes to the Summary Statement of Assets and Liabilities - Restated and Summary Statement of Profit & Losses - Restated for three months ended June 30th, 2009 and each of the year ended 31st March, 2009, 2008, 2007, 2006 & 2005.

1. In the year ended 31 March 2008 company has commenced commercial production from 250 MW unit of power plant and in the year ended 31 March 2009 company has completed implementation of 1000 MW (4* 250 MW) of "OP Jindal Super thermal Power Plant" at Raigarh in the state of Chhattisgarh. Company has started commercial production on 8th December 2007.

2. For the limited purpose of including in the DRHP, in the restated financial information for the years ended on March 31, 2007 & 2006, Profit & Loss Account for the respective years have been prepared and mine development expenses and employee benefits (AS-15) (as shown in the profit & Loss Account), have been charged to Profit & Loss Account.

3. (i) Adjustments, as referred in note no. 4, 5 & 6, have been made in the financial information for the period/year ended June 30, 2009, March 31, 2009, 2008, 2007, 2006 & 2005 for the limited purpose of inclusion of financial information in the DRHP.
(ii) No Profit & Loss Account has been prepared for the year ended March 31, 2005.

4. Changes in Accounting Policies:

(a). During the year ended on 31st March, 2009 the Company has changed its policy of depreciation from Straight Line Method to Written Down Value method resulting in additional charge to Profit & Loss Account amounting to Rs. 546.79 million, which has been adjusted in the Statement of Profit & Loss for the year ended on 31st March, 2008.
(b). During the year ended 31st March 2008, the company adopted the policy of amortising coal mine development expenses in the year in which it was incurred. Hence financial information for the year ended March 31, 2009, 2008, 2007 and 2006 has been restated accordingly.

(c) For the limited purpose of restatement, Company has adopted revised Accounting Standard – 15 "Employee Benefits" issued by the Institute of Chartered Accountants of India, for all the period presented. Considering that the adoption of Accounting Standard –15, by the Company before 1st April, 2008, impact on the accumulated balances of Employee Benefits have been adjusted.

5. Reconciliation of Reserves & Surplus, Fixed Assets (Net) and Deferred Tax Liability:

(Rs. In Million)

	As at 30.06.2009	As at March 31,				
		2009	2008	2007	2006	2005
Audited Reserve & Surplus	22,433.51	14,998.43	194.33	-	-	-
Adjust: Change in accounting policy relating to						
- Depreciation	-	-	(546.79)	-	-	-
- Mine Development Expenses	-	-	(565.15)	(273.23)	(18.79)	-
- Employee Benefits	-	-	-	0.94	0.92	(1.09)
Other Adjustment	-	491.26	-	-	-	-
Adjust: Tax impact on above adjustments	-	(83.49)	490.88	91.29	5.65	-
Adjusted Reserve & Surplus	**22,433.51**	**15,406.20**	**(426.73)**	**(181.00)**	**(12.22)**	**(1.09)**
Audited Fixed Assets (Net)	45,571.60	43,220.32	40,358.50	29,060.14	10,825.97	2,445.61
Adjust: Change in accounting policy relating to						
- Depreciation	-	-	(546.79)	-	-	-
- Mine Development Expenses	-	-	-	(273.23)	(18.79)	-
Adjusted Fixed Assets (Net)	**45,571.60**	**43,220.32**	**39,811.71**	**28,786.90**	**10,807.18**	**2,445.61**
Audited Deferred Tax Liability/(Assets) (Net)	1,217.73	1,172.68	-	-	-	-
Adjust: Tax Impact on account of Change in accounting policy	-	-	(490.88)	(91.29)	(5.65)	-

	As at 30.06.2009	As at March 31,				
		2009	2008	2007	2006	2005
Adjusted Deferred Tax Liability/(Assets) (Net)	**1,217.73**	**1,172.68**	**(490.88)**	**(91.29)**	**(5.65)**	**-**

6. Material Regroupings & Other Adjustments:

(a) Sales for the three months ended June 30, 2009 include Rs. 491.26 million receivable from a party pertaining to supply of power for the period ended March 31, 2009, as per the terms of settlement agreed in current period. For the purpose of restatement related adjustments had been made in the financial information for the three months ended June 30, 2009 and March 31, 2009.

(b) Appropriate adjustments have been made in the Restated financial information, wherever required, by a reclassification of the corresponding items of assets, liabilities, incomes, expenses and cash flows, in order to bring them in line with the groupings as per the financials of the Company for the three months ended June 30, 2009.

7. (a) Estimated amount of contracts remaining to be executed on capital account and not provided for are as under:

(Rs. In Million)

	As at 30.06.2009	As at March 31,				
		2009	2008	2007	2006	2005
Outstanding contracts/Capital commitments (net of Capital Advances)	47,099.99	49,572.60	2,291.61	7,359.31	22,025.52	17,841.61

7. (b) Company has, for a project in the Kathmandu Valley, Nepal, committed to subscribe 48% equity capital in joint venture Company namely Synergy Infrastructure Pvt. Ltd. amounting to Rs. 17.73 million (Nepali Rupees 28.80 million, converted into INR by applying exchange rate NPR= INR 1.62).

8. Details of Contingent Liabilities :

(Rs. In Million)

	As at 30.06.2009	As at March 31,				
		2009	2008	2007	2006	2005
Exemption from Electricity Duty Pending for final approval	35.50	26.80	-	-	-	-
TOTAL	35.50	26.80				

9. (a) Capital Work In Progress includes Expenditure During Construction Period (Pending Allocation/Capitalization):

(Rs. In Million)

	As at 30.06.2009	As at March 31,				
		2009	2008	2007	2006	2005
Cost of Fuel	-	483.35	294.91	-	-	-
Salary, wages, bonus and other benefits	-	12.19	89.19	83.95	61.26	13.54
Contribution to Provident & other funds	-	0.52	4.79	4.82	3.59	0.26
Workmen & Staff Welfare Expenses	-	-	10.09	9.77	7.04	0.73
Travelling and Conveyance	-	-	6.87	7.94	8.23	4.03
Legal, Professional & Consultancy Fees	-	-	23.06	32.17	46.07	45.57
Postage & Telegram and Telephones	-	-	4.58	4.48	3.48	1.00
Repair and Maintenance-Others	-	-	3.81	8.01	8.07	1.04
Vehicle Running and Maintenance	-	-	14.15	16.59	10.66	2.33
Power & Fuel	-	-	9.78	15.00	4.10	-
Fee & Subscription	-	-	0.70	3.61	0.13	19.47

	As at 30.06.2009	As at March 31,				
		2009	2008	2007	2006	2005
Printing and Stationary	-	-	1.70	1.48	2.19	0.59
Depreciation	-	-	16.27	15.38	15.67	2.18
Rates & Taxes	-	-	1.85	1.60	0.22	1.68
Bank Charges	-	-	0.54	0.78	0.58	0.44
Interest on Term Loans	-	282.92	2,096.19	1,025.96	136.35	-
Interest on Others	-	-	-	-	4.45	8.82
Upfront Fees on loans	-	-	64.24	3.71	31.39	60.82
Insurance	-	-	4.05	3.05	1.56	0.01
Rent	-	-	3.48	1.18	0.18	0.09
Stores & Spares Consumed	-	-	4.80	10.18	1.49	2.96
Rehabilitation Compensation	-	-	78.78	76.41	9.50	-
Other Expenses (Net of cost contributed adjusted)	-	-	111.83	70.65	40.50	1.92
Total (A)	**-**	**778.98**	**2,845.66**	**1,396.72**	**396.71**	**167.48**
Less:						
Sale of Power (Net of Electricity Duty)	-	1,189.76	250.09	-	-	-
Profit on Sale of Fixed Assets	-	-	-	0.01	0.01	-
Profit on Sale of Current Investments	-	-	0.23	0.20	0.87	-
Dividend	-	-	7.98	9.53	5.27	-
Interest on Investments					5.06	-

	As at 30.06.2009	As at March 31,				
		2009	2008	2007	2006	2005
	-	20.44	11.53	38.76		
Interest on Fixed Deposits	-	0.16	1.37	4.88	1.86	-
Interest (others)	-	-	-	0.05	-	-
Other Income	-	14.11	6.76	-	-	-
Total (B)	**-**	**1,224.47**	**277.96**	**53.43**	**13.07**	**-**
Total (A) - (B) = (C)	**-**	**(445.49)**	**2,567.70**	**1,343.29**	**383.64**	**167.48**
Add:						
Provision for Taxation:						
- Income Tax	-	-	-	14.78	2.65	-
- Fringe Benefit Tax	-	-	2.27	1.41	1.89	-
	-	**(445.49)**	**2,569.97**	**1,359.48**	**388.18**	**167.48**
Add: Expenditure incurred upto previous year	**-**	**2,621.04**	**2,089.70**	**730.22**	**342.04**	**174.56**
	-	2,175.55	4,659.67	2,089.70	730.22	342.04
Less: Allocated to Fixed Assets	**-**	**2,175.55**	**2,038.63**	**-**	**-**	**-**
	-	-	2,621.04	2,089.70	730.22	342.04
Add: Capital Work in Progress (Including Capital Advances)	**11,738.19**	**8,103.34**	**18,571.85**	**26,086.93**	**9,579.34**	**2,036.14**
Balance Carried to the Balance Sheet	11,738.19	8,103.34	21,192.89	28,176.63	10,309.56	2,378.18

9(b). Preoperative expenses incurred till start of commercial production have been allocated on prorata basis to Plant & Machinery, Building and Capital Work in Progress.

9(c). Capital work in progress includes fencing of site area, roads, construction /capital material at site, temporary construction, site development expenses, plant & machinery in transit /under erection as capital advance against project. As part of the project is under implementation, the expenses incurred in relation thereof have been shown under note no. 9(a) above (Capital work in progress) as part of "Expenditure during Construction Period" (Pending Allocation /Capitalisation).

10(a). Employees Benefits:

(Rs. In Million)

	Gratuity (Funded)					**Unfunded**
	30.06.2009	**31.03.09**	**31.03.08**	**31.03.07**	**31.03.06**	**31.03.05**
I Expenses recognized during the Period						
1.Current Service Cost (Including Risk Premium for fully insured benefits)	1.58	1.34	0.87	0.84	0.43	0.11
2.Interest Cost	0.26	0.20	0.23	0.14	0.12	0.11
3.Expected Return on planned assets	(0.16)	(0.34)	(0.15)	(0.07)	(0.04)	-
4.Past Service Cost	-	-	-	-	-	-
5.Actuarial (gain)/loss	1.49	9.31	(0.95)	0.56	0.12	0.23
6.Total Expense	3.17	10.51	-	1.47	0.63	0.45
II. Net Assets/(Liability) recognized in the balance sheet as at year end						
1. Present value of defined benefit obligation	16.09	12.76	2.79	2.69	2.31	1.73
2. Fair Value of Plan asset.	8.48	5.63	2.54	0.94	1.09	-
3.Funded status [Surplus/(Deficit)]	(7.61)	(7.13)	(0.25)	(1.75)	(1.23)	(1.73)
4. Net Asset / (Liability).	7.61	7.13	0.25	1.75	(1.23)	(1.73)

	Gratuity (Funded)					Unfunded
	30.06.2009	**31.03.09**	**31.03.08**	**31.03.07**	**31.03.06**	**31.03.05**
III Change in Obligation for the Period						
1.Present Value of Defined Benefit Obligation at the beginning of the Year	12.76	2.79	2.68	2.31	1.73	1.28
2.Current Service Cost	1.58	1.34	0.87	0.84	0.43	0.11
3.Interest Cost	0.26	0.20	0.23	0.14	0.12	0.11
4.Plan Amendments	-	-	-	-	-	-
5.Acturial (Gain) /Losses	1.49	9.42	(0.99)	0.65	0.17	0.23
6.Benefit Payments	-	(0.99)	-	(1.25)	(0.14)	-
7.Present Value of defined Benefit Obligation at the end of Year	16.09	12.76	2.79	2.69	2.31	1.73
IV Change in Assets During the Period						
1.Fair Value of Plan assets at beginning of the Year	5.63	2.55	0.94	1.09	-	NA
2.Expected Return of Plan assets	0.16	0.34	0.15	0.07	0.04	NA
3.Actual Company Contribution	2.69	3.63	1.50	0.94	1.14	NA
4.Actual Benefit Paid	-	(0.99)	-	(1.25)	(0.14)	NA
5.Acturial Gain /(Losses)	-	0.11	(0.04)	0.09	0.05	NA
6.Fair Value of Plan assets at the end	8.48	5.64	2.55	0.94	1.09	NA
V Investment Detail						
All the investments are made with Life Insurance Corporation of India Limited	100%	100%	100%	100%	100%	NA
VI Actuarial Assumption						
1.Discount Rate	8.10%	8.30%	8.75%	8.50%	8.00%	7.40%
2.Expected Rate of Return on plan assets	9.15%	9.15%	8.70%	8.70%	7.90%	N.A.
3.Salary escalation	12.00%	12.00%	5.00%	5.00%	5.00%	5.00%

	Gratuity (Funded)					Unfunded
	30.06.2009	**31.03.09**	**31.03.08**	**31.03.07**	**31.03.06**	**31.03.05**
4.Mortality	LIC (1994-96) ultimate					
5.Turnover rate	Age Up to 25-0.5%, up to 30- 0.3%, up to 35- 0.2%, up to 50-0.1% up to 55- 0.2%, up to 58-0.3%					

(Rs. in Million)

	Leave Encashment (Unfunded)					
	30.06.2009	**31.03.09**	**31.03.08**	**31.03.07**	**31.03.06**	**31.03.05**
I Expenses recognized during the Period						
1.Current Service Cost (Including Risk Premium for fully insured benefits)	2.46	1.35	0.96	0.83	0.49	0.18
2.Interest Cost	0.48	0.19	0.16	0.10	0.05	0.03
3.Expected Return on planned assets	-	-	-	-	-	-
4.Past Service Cost		0.69	(0.37)	-	-	-
5. Acturial (Gain)/Loss	9.03	20.06	1.18	1.03	1.10	0.55
6.Total Expense	11.97	22.29	1.93	1.96	1.64	0.76
II Net Asset/(Liability) recognized in the balance sheet as at year end						
1. Present value of defined benefit obligation	35.20	23.39	3.32	2.46	2.04	0.98
2. Net Asset / (Liability).	(35.20)	(23.39)	(3.32)	(2.46)	(2.04)	(0.98)
III Change in Obligation for the Period						
1.Present Value of Defined Benefit Obligation at the beginning of the Year	23.39	3.32	2.46	2.05	0.98	0.56
2.Current Service Cost	2.46	1.35	0.96	0.83	0.49	0.18
3.Interest Cost	0.48	0.19	0.16	0.10	0.05	0.03
4.Plan Amendments	-	0.69	(0.37)	-	-	-
5.Acturial (Gain) /Losses					1.10	0.55

						Leave Encashment (Unfunded)
	30.06.2009	**31.03.09**	**31.03.08**	**31.03.07**	**31.03.06**	**31.03.05**
	9.03	20.06	1.18	1.03		
6.Benefit Payments	(0.17)	(2.22)	(1.07)	(1.55)	(0.58)	(0.34)
7.Present Value of defined Benefit Obligation at the end of Year	35.19	23.39	3.32	2.46	2.04	0.98
IV Actuarial Assumption						
1.Discount Rate	8.10%	8.30%	8.75%	8.50%	8.00%	7.40%
2. Salary Escalation	**12.00%**	**12.00%**	**5.00%**	**5.00%**	**5.00%**	**5.00%**
3.Mortality	LIC (1994-96) ultimate					
4.Turnover rate	Age Up to 25-0.5%, up to 30- 0.3%, up to 35- 0.2%, up to 50-0.1% up to 55- 0.2%, up to 58-0.3%					

10(b). **Defined Benefit Plan**

The employee's gratuity fund managed by life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to addition unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

10(c). Amount Recognised as an Expense **(Rs. In Million)**

	For the Three Months Ended June 30th, 2009	**Year/Period ended March 31,**				
		2009	**2008**	**2007**	**2006**	**2005**
Defined Benefit Plan:						
Gratuity	3.17	10.51	-	1.47	0.63	0.45
Leave Encashment	11.97	22.29	1.93	1.96	1.64	0.76
Provident Fund Funded	1.56	4.20	1.76	2.18	1.58	-
Defined Contribution Plan:						

	For the Three Months Ended June 30th, 2009	Year/Period ended March 31,				
		2009	2008	2007	2006	2005
Provident Fund	2.44	5.60	4.21	2.13	1.97	0.26

10(d). **Provident Fund:** Pending the issuance of the Guidance note from the Actuarial Society of India, the Company's Actuary has expressed his inability to reliably measure the provident fund liability.

10(e). The expected return on plan assets is determined considering several applicable factors mainly composition of the plan asset held, assessed risks of asset management, historical results of return on plan assets.

10(f). The estimate of future salary increase considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by the actuary.

11. In the opinion of the Board, Current Assets, loan & Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and provision for all known liabilities been made.

12. The Company has only one business segment i.e. Power Generation & Sale and one geographical reportable segment i.e. operations within India, hence segment reporting as defined in Accounting Standard (AS-17) is not given.

13. In the opinion of management, there is no extraordinary items as defined in Accounting Standard-5 ' Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies', included in Summary Statement of Profit & Losses for the three months ended June 30, 2009 and for the year ended March 31, 2009, 2008, 2007, 2006 & 2005.

14. During the period ended 30th June 2009, the Company has sold its entire shareholding in equity share capital of its two subsidiary companies namely Jindal Petroleum Limited & Power Plant Engineers Limited at price of Rs. 10 per equity shares at par. Accordingly Jindal Petroleum Limited & Power Plant Engineers Limited has ceased to be subsidiaries along with two step down subsidiaries namely Jindal Petroleum (Mauritius) Limited and Jindal Petroleum (Georgia) Limited w.e.f. 30th June 2009.

15. Provision for Taxation represents Minimum Alternate Tax computed u/s 115JB of the Income Tax Act, 1961. As per the provision contained in section 80IA of the Income Tax Act, 1961 Company is eligible to claim tax benefits. Tax calculation has been made considering certain allowances/adjustments available, as assessed by the management.

16. Software (other than specified software) under Intangible Assets is depreciated fully in the year of purchase.

17. In view of Companies (Accounting Standards) Rules, issued by the Ministry of Corporate Affairs from the year started from 1st April, 2007, Exchange Fluctuation gain/loss on account of exchange fluctuation on loan/liability for capital assets has been charged to Profit & Loss account which was hitherto charged to cost of assets. This change has no material impact on Profit/ (Loss) for the period.

18. As required by section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 the following information is disclosed:

Particular	**30.06.09**	**31.03.09**	**31.03.2008**
(i) Principal amount remaining unpaid at the end of the accounting year	-	-	-
(ii) Interest due on (i) above	-	-	-
(iii) The amount of interest paid by the buyer along with amount of payment made to the suppliers beyond the appointed date	-	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of financial year	-	-	-
(v)The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under this Act	-	-	-
(vi)The amount of further interest due and payable in succeeding year, until such interest is actually paid.	-	-	-

19. Company has entered into an agreement of assignment with Jindal Steel & Power Limited on November 30, 2009

(a) To transfer the two memorandum of understanding in favour of the Company, entered into with the Government of Jharkhand with respect to two power plant i.e. (i) 3x500 MW power plant to be commissioned at Dumka, and (ii) 1000 MW power plant to be commissioned at Godda. Further Company has entered into separate coal supply agreement with Shresht Mining and Metals Private Limited and Jindal Steel & Power Limited. All the aforesaid agreements are subject to requisite approvals.

(b) To transfer the memorandum of understanding in favour of the Company, entered into with the Government of Orissa with respect to 1320 MW power plant to be commissioned at Angul, pending requisite approvals.

20. REALATED PARTIES:-
(As Identified and certified by the management)

(a) Holding Company: Jindal Steel & Power Limited (w.e.f. 09.06.2005)
(b) Associates: Nalwa Steel & Power Limited (ceased to associate w.e.f. 01.04.2009)
Jindal Steel & Power Limited (ceased to associate w.e.f. 08.06.2005)

(c) Key Management Personnel:

Dr. Rajendra Prasad Singh (Vice Chairman & Managing Director) (w.e.f. 23.02.2009)
Sh. Sushil Kumar Maroo (Deputy Managing Director)(w.e.f. 18.06.2008)
Sh. K.K. Sinha (Whole Time Director)(w.e.f. 16.11.2008)
Sh. Pradip Kumar Chakraborty (Whole Time Director)(w.e.f. 01.03.2009)
Sh. R.K. Saraf (President & Whole Time Director)(ceased to director w.e.f. 07.12.2008)
Sh. D.P. Sarawgi (Whole Time Director)(ceased to director w.e.f. 24.02.2009)

(d) Subsidiary Companies:

Jindal Power Transmission Limited (w.e.f. 23.06.2008)
Jindal Hydro Power Limited (w.e.f. 18.08.2008)
Jindal Power Distribution Limited (w.e.f. 27.08.2008)
Jindal Petroleum Limited (w.e.f. 10.02.2009)*
Power Plant Engineers Limited (w.e.f. 13.01.2009)*
Chhattisgarh Energy Trading Company Limited (w.e.f. 02.05.2009)
Attunli Hydro Electric Power Company Limited (w.e.f. 19.05.2009): Joint Venture
Etalin Hydro Electric Power Company Limited (w.e.f. 16.05.2009) : Joint Venture

(e) Step down Subsidiary Companies:

Jindal Petroleum (Mauritius) Limited (w.e.f. 10.02.2009)*
Jindal Petroleum (Georgia) Limited (w.e.f. 10.02.2009)*
** ceased to be subsidiary w.e.f. 30.06.2009*

21. Summary of Related Party Transactions

(As certified by the management) (Rs. in Millions)

Sl.No.	Nature of Transactions	For the period ended 30.06.2009	For the year Ended March 31,				
			2009	2008	2007	2006	2005
1	**Sale of Power**						
	Jindal Steel & Power Limited	394.91	596.73	471.56	-	-	-
	Chhattisgarh Energy Trading Company Limited	42.70	-	-	-	-	-
2	**Sale-Scrap**						
	Jindal Steel & Power Limited	-	0.20	-	-	-	-
	Nalwa Steel and Power Limited	-	2.47	2.61	-	-	-
3	**Technical services**						
	Jindal Steel & Power Limited	-	110.30	-	-	-	-
4	**Purchases –Capital & Other Goods**						
	Jindal Steel & Power Limited	33.20	64.70	33.52	1.61	2.48	-
	Nalwa Steel and Power Limited	-	56.35	12.35	7.71	-	41.01
5	**Loans & Advances- Taken**						
	Jindal Steel & Power Limited	-	-	3,490.33	-	-	-
	Loans & Advances- Refunded						
	Jindal Steel & Power Limited	-	-	3,490.33	-	-	158.38
	Loans /Advances Given for capital purchase /Services & Others						
	Jindal Steel & Power Limited	-	4,025.20	-	-	-	-
	Dr. Rajendra Prasad Singh	-		-	-		

Sl.No.	Nature of Transactions	For the period ended 30.06.2009	For the year Ended March 31,				
			2009	2008	2007	2006	2005
			2.50			-	-
	Sh. K.K. Sinha	-	2.00	-	-	-	-
7	**Amounts received against issue of equity share capital**						
	Jindal Steel & Power Limited	-	-	-	2,869.00	3,614.97	-
8	**Advance against share application money/shares purchase**						
	Jindal Steel & Power Limited	-	-	-	-	-	2,386.96
	Chhattisgarh Energy Trading Company Limited	60.30	-	-	-	-	-
	Jindal Power Distribution Limited	-	0.49	-	-	-	-
	Jindal Power Transmission Limited	-	0.49	-	-	-	-
	Jindal Hydro Power Limited	-	0.49	-	-	-	-
	Jindal Petroleum Limited	750.00	614.50	-	-	-	-
	Attunli Hydro Electric Power Company Limited	7.40	-	-	-	-	-
	Etalin Hydro Electric Power Company Limited	7.40					
	Power Plant Engineers Limited	-	0.50	-	-	-	-
9	**Advance against share application money/shares received**						
	Jindal Steel & Power Limited	-	-	760.00	60.00	-	-
10	**Refund of advance against share application money**						
	Jindal Steel & Power Limited	-	-	820.00	-	-	-

Sl.No.	Nature of Transactions	For the period ended 30.06.2009	For the year Ended March 31,				
			2009	2008	2007	2006	2005
11	**Reimbursement of expenses incurred**						
	Jindal Steel & Power Limited	0.10	12.84	9.80	1.47	21.44	112.29
	Jindal Petroleum Limited	-	0.60	-	-	-	-
	Attunli Hydro Electric Power Company Limited	0.39	-	-	-	-	-
	Etalin Hydro Electric Power Company Limited	0.39	-	-	-	-	-
12	**Recovery of expenses incurred**						
	Jindal Steel & Power Limited	0.62	3.90	1.03	-	-	-
	Jindal Petroleum Limited	-	0.40	-	-	-	-
13	**Payment made for capital purchase/services**			-			-
	Jindal Steel & Power Limited	6.60	65.80	-	43.21	45.76	-
	Nalwa Steel and Power Limited	-	61.60	-	-		-
14	**Inter Corporate Deposit Given**						
	Jindal Steel & Power Limited	4,185.00	17,155.79	-	-	-	-
15	**Inter Corporate deposit refunded**						
	Jindal Steel & Power Limited	1,340.00	16,759.50	-	-	-	-
16	**Investment in Rated Bonds**						
	Jindal Steel & Power Limited	-	-	2,162.62	2,065.00	710.00	-
17	**Redemption of Investment in Rated bonds**						
	Jindal Steel & Power Limited	-	-	2,447.12	1,780.50	-	-
18	**Interest Income**						
	Jindal Steel & Power Limited	21.51	284.80	13.10	38.76	4.23	-

Sl.No.	Nature of Transactions	For the period ended 30.06.2009	For the year Ended March 31,				
			2009	2008	2007	2006	2005
19	**Remuneration**						
	Dr. Rajendra Prasad Singh	3.60	1.48	-	-	-	-
	Sh. Susil Kumar Maroo	5.48	15.03	-	-	-	-
	Sh. K.K. Sinha	3.29	4.66	-	-	-	-
	Sh. Pradip Kumar Chakraborty	1.40	0.25	-	-	-	-
	Sh. R.K. Saraf	-	2.48	2.03	1.69	1.14	1.42
	Sh. D.P. Sarawgi	-	5.93	3.35	2.58	0.78	-
	Outstanding as at year end:						
20	**Creditors**						
	Jindal Steel & Power Limited	45.70	19.66	9.81	-	8.83	8.75
	Nalwa Steel and Power Limited	-	-	4.34	-	-	-
21	**Debtors**					-	-
	Jindal Steel & Power Limited	449.20	324.10	86.36	-	-	-
	Nalwa Steel and Power Limited	-	0.40	-	-	-	-
	Chhattisgarh Energy Trading Company Limited	42.50	-	-	-	-	-
22	**Interest Receivable**						
	Jindal Steel & Power Limited	-	-	-	38.76	-	-
23	**Loan & Advances Receivable**						
	Jindal Steel & Power Limited	-	4,025.21	-	14.74	-	-
	Jindal Power Distribution Limited	-	0.18	-	-	-	-

Sl.No.	Nature of Transactions	For the period ended 30.06.2009	For the year Ended March 31,				
			2009	2008	2007	2006	2005
	Dr. Rajendra Prasad Singh	1.98	2.29	-	-	-	-
	Sh. K.K. Sinha	1.33	1.58				
24	**Inter Corporate Deposit**						
	Jindal Steel & Power Limited	3,241.29	396.29	-	-	-	-
25	**Investment in Rated Bonds**						
	Jindal Steel & Power Limited	-	-	-	284.50	-	-
26	**Advance against Share application money**						
	Jindal Steel & Power Limited	-	-	-	60.00	-	2,389.82
	Jindal Petroleum Limited	755.00	5.00	-	-	-	-

JINDAL POWER LIMITED

ANNEXURE - 7

Details of Other Income - Restated

(Rs. In Million)

	For the Three Months Ended June 30th, 2009	Year/period ended March 31st,		Recurring/ Non-Recurring
		2009	2008	
Not Related to Business:				
-				
Income From Investments				
Dividends	-	0.72	1.31	Non-Recurring
Interest (Including Tax deducted at source)	142.07	435.57	2.11	Recurring
Profit on sale of Investments (Net)	54.88	14.91	-	Non-Recurring
Related to Business:				
Technical Service Fee	-	110.35	-	Non-Recurring
Liabilities no longer required written back	-	0.06	-	Non-Recurring
Miscellaneous Income	10.28	6.29	1.33	Non-Recurring
TOTAL OTHER INCOME	**207.23**	**567.90**	**4.75**	
Profit Before Tax as per Annexure-2	9,012.17	19,204.42	219.80	
Total Other Income as % of PBT	2.30%	2.96%	2.16%	

Notes: -

1. The classification of Income as recurring/non recurring in nature and related /not related to business activity is based on the current operations and business activity of the Company as determined by the management.

2. The above amounts are as per the Statement of Profit and Losses of the Company, as restated.

JINDAL POWER LIMITED

ANNEXURE: 8

Statement of Rates of Dividend paid by the Company in respect of the period / year ended

Particulars	**Year ended March 31st, 2009**
Number of Equity Shares	867,700,000
Face Value Per Share (Rs.)	10.00
Paid up Value Per Share (Rs.)	10.00
Rate of Dividend -%	10%
Total Dividend Paid / Proposed (Rs. in Million)	867.70
Corporate Dividend Tax (Rs in Million)	147.47

Note:

1. The figures disclosed above are based on the financial statements of the company.
2. Company has started commercial production on 8th December 2007 and therefore first dividend is declared for the financial year 31st march 2009 and no dividend is declared for the three months ended on 30th June 2009 and financial year ended March 31, 2008, 2007, 2006 & 2005.

JINDAL POWER LIMITED

ANNEXURE: 9

Statement of Capitalisation as at 30th June, 2009

(Rs. In Million)

Particulars	**Pre-issue as at 30th June, 2009**	**Adjusted for issue***
Borrowings:		
Short Term	-	
Long Term	23,582.03	
Total Debt	**23,582.03**	
Shareholders Funds		
Equity Share Capital	8,677.00	
Reserve & Surplus		
Surplus in Profit and Loss Account	22,433.51	
Total Shareholders Funds	**31,110.51**	
Long Term Debt / Equity Ratio	**0.76**	

Note:
1. On July 29, 2009, Company has issued 3,15,00,000 equity shares of Rs. 10 each to a body corporate at par on preferential basis, pursuant to special resolution passed by members of the company in its extra ordinary general meeting held on June 30, 2009.

2. Company has issued 44,96,00,000 equity shares of Rs. 10 each as fully paid up bonus shares to the existing shareholders on record date i.e. November 27, 2009, pursuant to resolution passed by Board of Directors in its meeting held on October 30, 2009.

The Long Term Debt/Equity Ratio have been computed as under:

Long Term Debt/Equity Ratio: $\frac{\text{Long Term Debt}}{\text{Total Shareholders Funds}}$

Notes:
1. Short Term Debt is considered as debt having original repayment term not exceeding 12 months.
2. Long Term Debt is considered as debt other than short term debt, as defined above.
3. The figures disclosed above are based on the restated financial statements of the Company.

** The corresponding post issue figures are not determinable at this stage pending the completion of the Book Building Process and hence have not been furnished. The Post issue capitalisation shall be updated before filing the prospectus.*

JINDAL POWER LIMITED

ANNEXURE: 10

Statement of Accounting Ratios of the Company

Rs. In Million (Except per share Data)

Particulars	For the Three Months Ended June 30th, 2009	Year ended March 31st,				
		2009	2008	2007	2006	2005
1. Net Profit after Tax, as restated	7,027.31	16,848.10	(245.73)	(168.78)	(11.13)	-
Earning attributable to equity shareholders	7,027.31	16,848.10	(245.73)	(168.78)	(11.13)	-
2. Weighted average number of Equity Shares outstanding during the year / period	867,700,000	867,700,000	749,019,584	476,561,192	144,634,156	-
3. Number of Equity Shares outstanding at the end of the year / period	867,700,000	867,700,000	867,700,000	649,397,000	362,497,000	1,000,000
4. Net Worth	31,110.51	24,083.20	8,250.27	6,312.92	3,612.70	8.86
Accounting Ratios**						
Earning per Share: Basic/ Diluted (Rs.)*	8.10	19.42	(0.33)	(0.35)	(0.08)	-
Return on Net Worth (1) /(4)-%	22.59	69.96	(2.98)	(2.67)	(0.31)	-
Net Asset Value Per Share (Rs.)(4) / (3)	35.85	27.76	9.51	9.72	9.97	8.86

Note:

1) The Above information should be read with significant accounting policies appearing in Annexure 5, together with notes to the Summary Statement of Profit & Losses and Assets and Liabilities, as restated, appearing in Annexure 6.

2) The ratios have been computed as under:

Basic / Diluted earning per share (Rs.) $\frac{\text{Earning attributable to equity shareholders}}{\text{Weighted average number of equity shareholders outstanding during the year/ period}}$

Return on Net Worth (%) $\frac{\text{Net Profit after Tax, as restated}}{\text{Net worth, as restated, at the end of the year/ period}}$

Net asset value per share (Rs.) $\frac{\text{Net worth, as restated, at the end of the year/ period}}{\text{Number of equity shares outstanding at the end of year/ period}}$

*** Accounting ratios are calculated before considering pre-IPO Bonus allotment of 44,96,00,000 equity shares of Rs. 10 each, fully paid up. If this pre-IPO Bonus allotment is considered , accounting ratios would be as under:*

Particulars	**For the Three Months Ended June 30th, 2009**	**Year ended March 31st, 2009**
Accounting Ratios		
Earning per Share: Basic/ Diluted (Rs.)*	5.33	12.79
Return on Net Worth -%	22.59	69.96
Net Asset Value Per Share (Rs.)	23.62	18.28

** Earning per Shares are calculated on Non-Annualised Basis as per Accounting Standard-20.*

JINDAL POWER LIMITED

Annexure- 11

DETAILS OF OUTSTANDING SECURED LOAN AS ON 30.06.2009 **(Rs. In Million)**

S.No.	NAME OF LENDER	SANCTIONED AMOUNT	BALANCE O/S AS ON 30.06.2009	RATE OF INTEREST AS ON 30.06.2009	REPAYMENT SCHEDULE
RAIGARH THERMAL POWER PROJECT (2x250 MW PHASE-I):					
1	Bank of Baroda	1,000.00	923.90	10.00%	In 40 equally quarterly instalments commencing from 1st January 2009
2	Central Bank of India	700.00	647.40	9.50%	
3	State Bank of Hyderabad	400.00	369.80	10.25%	
4	Oriental Bank of Commerce	700.00	647.40	9.50%	
5	State Bank of Patiala	400.00	369.80	10.75%	
6	United Bank of India	400.00	369.80	10.00%	
7	Indian Overseas Bank	700.00	647.40	10.00%	
8	Indian Bank	500.00	462.30	10.00%	
9	The Jammu & Kashmir Bank Ltd.	500.00	462.30	9.75%	
10	Punjab National Bank	1,691.00	1,564.18	8.75%	
11	State Bank of India	2,750.00	2,543.75	10.00%	

S.No.	NAME OF LENDER	SANCTIONED AMOUNT	BALANCE O/S AS ON 30.06.2009	RATE OF INTEREST AS ON 30.06.2009	REPAYMENT SCHEDULE
RAIGARH THERMAL POWER PROJECT (2x250 MW PHASE-II):					
12	State Bank of India	3,000.00	3,000.00	9.25%	In 40 equally quarterly installments commencing from 1st October 2009 OR the first repayment date falling twelve months after commencement of commercial operation, OR fifty one months from the date of agreement *i.e.* 17.12.2005, whichever is earlier
13	Industrial Development Bank of India Limited	1,500.00	1,500.00	10.25%	
14	Bank of Baroda	1,250.00	1,250.00	9.25%	
15	Central Bank of India	1,000.00	1,000.00	8.75%	
16	State Bank of Hyderabad	400.00	400.00	9.50%	
17	Oriental Bank of Commerce	750.00	750.00	8.75%	
18	State Bank of Patiala	514.00	514.00	10.00%	
19	Union Bank of India	1,250.00	1,066.80	9.00%	
20	Canara Bank	750.00	750.00	9.00%	
21	Punjab National Bank	1,594.00	1,357.20	9.00%	
22	Industrial Development Bank of India Limited	1,450.00	1,450.00	10.25%	
23	State Bank of Hyderabad	550.00	550.00	10.75%	
24	State Bank of Patiala	236.00	236.00	10.75%	
25	Punjab & Sind Bank	750.00	750.00	9.00%	
	TOTAL	**24,735.00**	**23,582.03**		

NOTES:

1 SECURITY CLAUSE:

A. RAIGARH THERMAL POWER PROJECT (2x250 MW PHASE-I):

1. First mortgage and charge on immovable properties, both present and future, of the Company.

2. First charge by way of hypothecation on all movable properties including movable machinery, spares, equipments, tools & accessories, all intangibles, receivables, book debts, all cash and revenue deposits in the bank account, both present and future, of the Company.

3. First charge on all intangible assets including but not limited to goodwill, undertaking and uncalled capital of the Company.

4. Pledge of 51% Equity Shares issued or to be issued by the Company.

5. An assignment by the Company of: (i) all the Company's Receivables, Accounts and book debts, Present & Future, (ii) the right, title and interest of the company by way of first charge into and under all (a) of the project Documents, including an irrevocable revolving letter of credit drawn by the Promoter in favour of the Company and (b) the Guarantees, other Performance warranties, indemnities and securities that may be furnished in favour of the Company by the various contractors under the project Documents, after obtaining the written consent of the Parties thereto, if necessary, (iii) the right, title and interest of the Company by way of first charge in the accounts, and (iv) the right, title and interest of the Company by way of first charge in, to and under all the Government Approvals, insurance Policies and uncalled capital of the Company;

6. **Additional Collateral Security:** first charge by way of hypothecation of all promoter receivables realised by sale of energy purchase by the promoter from the company and deposit in the escrow account/designated accounts, both present and future.

1 B. RAIGARH THERMAL POWER PROJECT (2x250 MW PHASE-II):

1. First mortgage and charge on immovable properties, both present and future, of the Company.

2. First charge by way of hypothecation on all movable properties including movable machinery, spares, equipments and tools & accessories, both present and future, of the Company.

3. First charge on all intangible assets including but not limited to goodwill, undertaking and uncalled capital of the Company.

4. First charge by way of assignment by the Company of: (a) All of the Company's receivables, accounts and book debts, present and future, (b) Right, title and interest of the Company by way of first charge into and under all project documents and the guarantees, other performance warranties, indemnities and securities that may be furnished in favour of the Company by various contractors under the project documents, and (c) Right, title and interest of the Company in the Trust and Retention Account agreements and other bank accounts of the Company pertaining to projects, if any.

5. Pledge of 51% Equity Shares issued or to be issued by the Company.

6. First charge by way of assignment by the Company of the right, title and interest of the Company into and under all government approvals, insurance policies etc.

2 Company had not made any pre-payment in relation to abovementioned loan up to 30th June, 2009.

3 Since all the above loans are term loan in nature, no loan can be recalled.

4 The Company has not defaulted in repayment of dues in relation to abovementioned loan up to 30th June, 2009.

5 Repayment Schedule of RAIGARH THERMAL POWER PROJECT (2x250 MW PHASE-I) as mention above are based up on individual letter of the banks after taking reschedulment.

JINDAL POWER LIMITED

Annexure-12

Statement of Tax Shelter of the Company

(Rs. In Million)

Srl. No.	Particulars	For the Three Months ended 30th June 2009	Year ended 31st March			
			2009	2008	2007	2006
A	**Net Profit/ (Loss) before current and Deferred Tax , as restated**	8,520.48	20,806.81	(619.96)	(254.42)	(16.78)
	Income tax rates applicable (including surcharge and education cess)	33.99%	33.99%	33.99%	33.66%	33.66%
	Tax at applicable rate (A)	**2,896.11**	**7,072.23**	**(210.72)**	**(85.64)**	**(5.65)**
B	**Permanent differences**					
	Dividend Income	-	0.72	1.31	-	-
	Other Income	-	(430.59)	(10.78)	(43.92)	(7.86)
	Deduction u/s 80 IA	9,001.87	-	-	-	-
	Total	**9,001.87**	**(429.87)**	**(9.47)**	**(43.92)**	**(7.86)**
C	**Timing Differences**					
	Difference between tax Depreciation and Book depreciation (including loss on sale of depreciable assets)	(688.57)	14,691.09	4,264.44	-	-
	Disallowance u/s 43B	-	(24.30)	(2.16)	-	-
	Mine Development Expenses and Employee Benefits		565.15	(292.86)	(254.42)	(16.78)
	Set off of unabsorbed depreciation and losses as per income tax act	-	5,145.06	(5,145.06)	-	-

Srl. No.	Particulars	For the Three Months ended 30th June 2009	Year ended 31st March			
			2009	2008	2007	2006
	Total (C)	**(688.57)**	**20,377.00**	**(1,175.64)**	**(254.42)**	**(16.78)**
D	**Net adjustments (B+C)**	8,313.30	19,947.13	(1,185.11)	(298.34)	(24.64)
E	**Tax saving thereon**	2,825.69	6,780.02	(402.82)	(100.42)	(8.30)
F	**Taxation charge-current**	70.42	292.21	-	14.78	2.65
G	**Incremental tax due to Minimum Alternative Tax (MAT)**	1,461.19	1,914.44	24.66	-	-
H	**Total current tax (F+G)**	1,531.61	2,206.65	24.66	14.78	2.65

Notes:
The Above information should be read with significant accounting policies appearing in Annexure 5, together with notes to the Summary Statement of Profit & Losses and Assets and Liabilities, as restated, appearing in Annexure 6.

ANNEXURE-13

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP, IFRS AND U.S. GAAP

The Company's financial statements are prepared in conformity with Indian GAAP on an annual basis. No attempt has been made to reconcile any of the information given in this Draft Red Herring Prospectus (DRHP) to any other principles or to base it on any other standards.

The areas in which differences between Indian GAAP vis-à-vis IFRS and U.S. GAAP could be significant to the Company's consolidated balance sheet and consolidated statement of profit and loss are summarised below. Potential investors should not construe the summary to be exhaustive or complete and should consult their own professional advisers for their fuller understanding and impact on the financial statements set out in this Prospectus.

Further, the Company has not prepared financial statements in accordance with IFRS or U.S. GAAP. Accordingly, there can be no assurance that the summary is complete, or that the differences described would give rise to the most material differences between Indian GAAP, U.S. GAAP and IFRS. In addition, the Company cannot presently estimate the net effect of applying either IFRS or U.S. GAAP on the results of the Company's operations or financial position, which may result in material adjustments when compared to Indian GAAP.

The summary includes various IFRS, U.S. GAAP and Indian GAAP pronouncements issued for which the mandatory application dates are later than the date of this Prospectus. Indian GAAP comprises accounting standards issued by the Institute of Chartered Accountants of India and certain provisions of Listing Agreements with the stock exchanges of India. In certain cases, the Indian GAAP description also refers to Guidance Notes issued by the Institute of Chartered Accountants of India that are recommendatory but not mandatory in nature and also certain accounting treatments specified by a Court Order in a Scheme of Amalgamation/Arrangement.

IFRS	US GAAP	INDIAN GAAP
A. ACCOUNTING FRAMEWORK:		
A.1. HISTORICAL COST OR FAIR VALUATION		
Historical cost is the main accounting convention. However, **IFRS** permits the revaluation (class wise) of intangible assets, property, plant and equipment, investment property, inventories in certain industries (e.g. commodity broker/dealer). **IFRS** also requires certain categories of financial instruments and certain biological assets to be reported at fair value.	Similar to **IFRS** but prohibits revaluations except for certain categories of financial instruments, which are carried at fair value.	Historical cost is the main accounting convention. However, **Indian GAAP** permits the revaluation of property, plant and equipment. Generally derivatives are accounted on settlement basis and measured not at their values. On adoption of AS 30 and AS 31, certain categories of financial instruments and derivatives will be reported at fair value.
A.2. COMPLIANCE WITH GAAP		
Entities should make an explicit and unreserved statement in the notes that the financial statements comply with **IFRS**. An entity cannot describe financial statements as complying with **IFRS** unless they comply with all the requirements of each applicable standard and interpretation.	The U.S. Securities Exchange Commission ('SEC') registrants should comply with **US GAAP**, and the SEC's rules and regulations and financial interpretations. It does not require an explicit and unreserved statement of full compliance. However, the SEC will not accept any reserved statement in the financial statements or audit report.	Indian companies should comply with **Indian GAAP**, the Companies Act, 1956 and industry-specific regulatory requirements. Additionally, listed companies should comply with the rules, regulations and financial interpretations of the SEBI. The law requires entities to disclose whether the financial statements comply with applicable accounting

IFRS	US GAAP	INDIAN GAAP
		standards and to give details of non- compliance. There is a presumption that compliance with accounting standards is necessary to give a true and fair view.
A.3. FAIR PRESENTATION OVERRIDE		
An entity may depart from a standard under **IFRS,** extremely rare in practice, if the management of that entity concludes that compliance with the standard or interpretation would render financials to be misleading. Reasons for such conclusion and departure along with the financial impact need to be disclosed. This override does not apply where there is a conflict between local company law and **IFRS**. **IFRS** are applied in such a situation.	Extremely rare in practice. The SEC will generally not accept such an override.	**Indian GAAP** prohibits departure from applicable accounting standards. If there is a conflict between the accounting standards and the Companies Act, 1956 or industry regulations, the latter would prevail with adequate disclosures.
A.4. FIRST-TIME ADOPTION OF ACCOUNTING FRAMEWORK		
IFRS includes a specific standard on how to apply **IFRS** for the first time. It introduces certain relief and imposes certain requirements and disclosures. First-time adoption of **IFRS** as the primary accounting basis requires full retrospective application of **IFRS** effective at the reporting date for an entity's first IFRS financials, with certain optional exemptions and limited mandatory exceptions. Comparative information is prepared and presented on the basis of **IFRS**. Almost all adjustments arising from the first-time application of **IFRS** are adjusted against opening retained earnings of the first period presented on an **IFRS** basis. Some adjustments are made against goodwill or other classes of equity. In an entity's first IFRS financials, it must present reconciliations of income statement in respect of the last period reported under previous GAAP, of equity at the end of	Accounting principles should be consistent for financial information presented in comparative financial statements. **US GAAP** does not give specific guidance on first-time adoption of its accounting principles. However, first -time adoption of **US GAAP** requires full retrospective application. Some standards specify the transitional treatment upon first- time application of a standard. Specific rules apply for carve-out entities and first-time preparation of financial statements for the public. There is no requirement to present reconciliations of equity or income statement on First-time adoption of **US GAAP**.	Similar to **US GAAP**. No rules for carve-out entities or first-time preparation of financial statements for the public.

IFRS	US GAAP	INDIAN GAAP
that period and of equity at the start of the earliest period presented in comparatives in those first IFRS financial statements.		
B. FINANCIAL STATEMENTS:		
B.1.1.COMPARATIVES		
One year of comparatives is required for all numerical information in the financial statements, with limited exceptions in disclosures. In limited note disclosures, more than one year of comparative information is required. On adoption of IAS 1R, opening balance sheet of earliest comparative period will be required on a retrospective change in an accounting policy, retrospective restatement, or reclassification of items in its financial statements.	Comparative financial statements are not required. However, the SEC requirements specify that most registrants provide two years of comparatives for all statements except for the balance sheet, which requires one comparative year. In certain circumstances for foreign private issuers, one year of comparatives is acceptable for all numerical information in the financial statements.	One year of comparatives is required for all numerical information in the financial statements, with limited exceptions in disclosures.
B.1. 2. PREPARATION AND PRESENTATION		
Financial statements are presented on a consolidated basis. In limited circumstances or on a voluntary basis, an entity may present single-entity parent company (standalone) financial statements along with its consolidated financial statements.	Similar to **IFRS**.	Financial statements are presented on a single-entity parent company (standalone) basis. Pursuant to the listing agreement with stock exchanges, public listed companies are required to present consolidated financial statements along with their standalone annual financial statements.
B.2. BALANCE SHEET		
B.2.1. FORMAT		
The presentation of current and non- current assets and liabilities (a classified balance sheet) is required, except when a liquidity presentation is more relevant. All assets and liabilities are presented broadly in order of liquidity in such cases. Otherwise there is no prescribed balance sheet format, and management may use judgment regarding the form of presentation in many areas. However, as a minimum, **IFRS** requires presentation of certain items on the face of the balance sheet.	The presentation of a classified balance sheet is required, with the exception of certain industries. Assets and liabilities are generally presented in decreasing order of liquidity. The balance sheet detail should be sufficient to enable identification of material components. Public entities should follow specific SEC guidance.	Accounting standards do not prescribe a particular format, except presentation of certain items on the face of the balance sheet. The Companies Act, 1956 prescribes a format of the balance sheet under Schedule VI, which is not strictly a classified balance sheet. Other industry regulations prescribe industry-specific formats of the balance sheet.
B.2.2 CURRENT/NON-CURRENT DISTINCTION		
Current assets include accounts	The requirements are similar to	No strict distinction between

IFRS	US GAAP	INDIAN GAAP
receivable due within 12 months, cash and cash equivalents, assets held for trading, other assets held for sale or consumed in the normal course of the entity's operating cycle etc. Current liabilities would include liabilities held for trading or expected to be realised within 12 months of the balance sheet date. Interest-bearing liabilities are classified as current when they are due to be realised or settled within 12 months of the balance sheet date, even if the original term was for a period of more than 12 months.	**IFRS** if a classified balance sheet is presented with few exceptions.	current and non-current. Companies follow formats prescribed by the Companies Act,1956 or industry regulations. Long term loans are classified between secured loan and unsecured loan on the balance sheet date. However, the current and non-current portion is disclosed in notes.
If completed after the balance sheet date, neither an agreement to refinance or reschedule payments on a long-term basis nor the negotiation of a debt covenant waiver would result in non-current classification of debt, even if executed before the financial statements are issued.	Entities may classify debt instruments due within the next 12 months as non-current at the balance sheet date provided that agreements to refinance or to reschedule payments on a long- term basis (including waivers for certain debt covenants) are completed before the financial statements are issued.	No specific guidance.
Deferred taxes are classified as non- current on the balance sheet with current and non-current break up discussed in notes.	Deferred taxes are classified between current and non-current on the balance sheet.	Deferred tax is classified as deferred tax asset or liability, net, is disclosed without segregation between current and non-current.
B.2.3. OFFSETTING ASSETS AND LIABILITIES		
Financial Assets and Financial Liabilities can only be offset if entity has legal enforceable right to setoff the recognised amounts and intended to either settle on a net basis, or to realise the asset and settle the liabilities simultaneously.	It is a general principle of accounting that the offsetting of assets and liabilities in the balance sheet is improper except where a right of setoff exists.	In absence of specific guidance practice varies. On adoption of AS 30, AS 31 and AS 32, the offsetting guidance for financial assets and liabilities would be similar to **IFRS**.
B.2.4. OTHER BALANCE SHEET CLASSIFICATION		
Minority interests are presented as a component of equity.	Minority interests cannot be presented as equity. On adoption of FAS 160, minority interests will be presented as a component of equity.	Minority interests are presented separately from liabilities and equity.
B.3. INCOME STATEMENT		

IFRS	US GAAP	INDIAN GAAP
B.3.1. FORMAT		
No prescribed format for the income statement. Entities can present their expenses either by function or nature. Additional disclosure of expenses by nature is required if functional presentation is used. An entity that discloses an operating result should include all items of an operating nature, including those that occur irregularly or infrequently or are unusual in amount within that caption.	The income statement can be presented in: (1) A single-step format where all expenses are classified by function and then deducted from total income to arrive at income before tax or (2) A multiple-step format separating operating and non- operating activities before presenting income before tax. The SEC regulations require registrants to categorise expenses by their function.	There is no prescribed format for the income statement. However, the accounting standards and the Companies Act, 1956 prescribe disclosure norms for certain income and expenditure items. In practice, the expenses are generally presented by nature. Other industry regulations prescribe industry-specific format of the income statement.
The portion of income statement attributable to the minority interest and to the parent entity is separately disclosed on the face of the income statement as allocations of income statement for the period.	Amounts attributable to the minority interest are presented as a component of net income or loss.	Similar to **US GAAP.**
Fringe benefit tax is included as a part of related expense (fringe benefit) which gives rise to incurrence of tax.	Similar to **IFRS**.	Disclosed as a separate item after profit before tax on the face of income statement. Although, Finance Act 2009 has withdrawn Fringe benefit tax w.e.f. Assessment Year 2010-2011.
B.3.2. EXCEPTIONAL (SIGNIFICANT) ITEMS		
The term exceptional items is not used or defined. However, separate disclosure is required (either on the face of the income statement or in the notes) of items of income and expense that are of such size, nature or incidence that their separate disclosure is necessary to explain the performance of the entity for the period.	Although **US GAAP** does not use the term exceptional items, significant, unusual or infrequently occurring items are reported as components of income separate from continuing operations either on the face of the income statement or in the notes.	Similar to **IFRS**, except that the Companies Act, 1956 uses the term non-recurring transactions or transactions of exceptional nature.
B.3.3. EXTRAORDINARY ITEMS		
Disclosure of items as extraordinary item is prohibited.	These are defined as being both infrequent and unusual and are rare in practice. Negative goodwill arising in a business combination is written off to income statement as an extraordinary gain, presented separately on the face of the income statement, net of taxes. Disclosure of the tax impact is either on the face of the	These are defined as events or transactions clearly distinct from the ordinary activities of the entity and are not expected to recur frequently and regularly. Disclosure of the nature and amount of each extraordinary item is required in the income statement in a manner that its impact on current income

IFRS	US GAAP	INDIAN GAAP
	income statement or in the notes. On adoption of FAS 141R, the negative goodwill would no longer be classified as an extraordinary item.	statement can be perceived.
B.4. STATEMENT OF CHANGES IN EQUITY (SOCIE), SORIE, STATEMENT OF COMPREHENSIVE INCOME, OTHER COMPREHENSIVE INCOME AND STATEMENT OF ACCUMULATED OTHER COMPREHENSIVE INCOME		
The statement must be presented as a primary statement. The statement shows capital transactions with owners, the movement in accumulated profit and a reconciliation of all other components of equity	A statement of shareholders' equity is presented as a primary statement. However, the SEC rules permit it to be presented either as a primary statement or in the notes.	No separate statement of changes in shareholders' equity is required. Movement in equity accounts are disclosed in separate schedules of 'Share Capital' and 'Reserves and Surplus'.
Statement of changes in shareholders equity would present: (a) Total comprehensive income for the period; showing separately the total amounts attributable to owners of the parent and to minority interest (b) For each component of equity, the effects of retrospective application or retrospective restatement recognised in accordance with IAS 8 (c) The amounts of transactions with owners in their capacity as owners, showing separately contributions by and distributions to owners and (d) For each component of equity, a reconciliation between the carrying amount at the beginning and the end of the period, separately disclosing each change.	The existing guidance is similar to IAS 1R, except minority's share of transactions, income or equity do not form part of the SoCIE or statement of comprehensive income. On adoption of FAS 160, minority would form part of the SoCIE and statement of comprehensive income, eliminating the existing differences	Same as above
The components of other comprehensive income would include: (a) Changes in revaluation surplus (on account of PPE and intangibles) (b) Actuarial gains and losses on defined benefit plans recognised in full in equity, if the entity elects the	Similar to IAS 1R, except that revaluations of PPE and intangibles are prohibited under **US GAAP**. Actuarial gains and losses (when amortised out of accumulated other comprehensive income) are recognised through the income statement.	Same as above

IFRS	US GAAP	INDIAN GAAP
option available under IAS 19 (c) Gains and losses arising from translation of a foreign operation (d) Gains and losses on re-measuring available-for-sale financial assets (e) Effective portion of gains and losses on hedging instruments in a cash flow hedge.		
B.5. CASH FLOW STATEMENT		
B.5.1. DEFINITION OF CASH AND CASH EQUIVALENTS		
Cash is cash on hand, and demand deposits and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent only when it has a maturity of three months or less from its acquisition date. Cash may also include bank overdrafts repayable on demand but not short-term bank borrowings; these are considered to be financing cash flows.	The definition of cash equivalents is similar to that in **IFRS**, except bank overdrafts are not included in cash and cash equivalents; changes in the balances of overdrafts are classified as financing cash flows, rather than being included within cash and cash equivalents.	Similar to **US GAAP**.
B.5.2 DIRECT/INDIRECT METHOD		
Inflows and outflows of 'cash and cash equivalents' are reported in the cash flow statement. The cash flow statement may be prepared using the direct method (cash flows derived from aggregating cash receipts and payments associated with operating activities) or the indirect method (cash flows derived from adjusting net income for transactions of a non-cash nature such as depreciation). The indirect method is more common in practice. Non-cash investing or financing transactions are to be disclosed.	Similar to **IFRS**, either the direct method or indirect method may be used. The latter is more common in practice. A reconciliation of net income to cash flows from operating activities is disclosed if the direct method is used. Significant non- cash transactions are disclosed.	Similar to **IFRS**. However, only indirect method is prescribed for listed enterprises and direct method is prescribed for insurance companies.
B.5.3 CLASSIFICATION OF SPECIFIC ITEMS		
i) Interest and dividend paid — Operating or financing activities.	(i) Interest paid, interest received and dividend received — Operating	(i) Interest and dividend paid — Financing activities.

IFRS	US GAAP	INDIAN GAAP
ii) Interest and dividend received — Operating or investing activities. iii) Taxes paid — Operating — unless specific identification with financing or investing.	activities. (direct method). Under the indirect method will be show as the change in the asset/liability or a as supplemental cash disclosure. (ii) Dividends paid — Financing activities. (iii) Taxes paid — Operating activities. Supplementary disclosure required.	(ii) Interest and dividend received — Investing activities. (iii) Taxes paid — Similar to IFRS.
B.6. CHANGES IN ACCOUNTING POLICY AND OTHER ACCOUNTING CHANGES		
B.6.1. CHANGES IN ACCOUNTING POLICY		
Changes in accounting policy under **IFRS** is accounted for retrospectively. Comparative information is restated, and the amount of the adjustment relating to prior periods is adjusted against the opening balance of retained earnings of the earliest year presented. Effect of retrospective adjustments on equity items is presented separately in the SoCIE. An exemption applies when it is impracticable to change comparative information. Policy changes made on the adoption of a new standard are accounted for in accordance with that standard's transition provisions. The method described above is used if transition provisions are not specified.	Similar to **IFRS**.	The cumulative amount of the change is recognised and disclosed in the income statement in the period of the change with a explanatory note in regard to the effect of the change. Transition provisions of certain new standards require adjustment of the cumulative amount of the change to opening retained earnings (reserves).
B.6.2. DISCLOSURE OF ACCOUNTING POLICIES AND CRITICAL ESTIMATES		
In addition to summary of accounting policies, entities are required to disclose: a) The judgements that management has made in the process of applying its accounting policies b) Key assumptions concerning that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities	The entity which is a registrant is required to make disclosures in their financial statement of: a) Impending changes in accounting principles in situations where current principles would no longer be acceptable for future reporting period and would result in restatement of financial statement. b) Recently issued accounting standards,	No such disclosure required. However, in practice, if a standard in the notes.

IFRS	US GAAP	INDIAN GAAP
within the next financial year and c) An implementing change in accounting policy, before implementing a new standard, interpretation or amendment under **IFRS**, which has been issued but is not yet effective, is required to be disclosed under IAS 8. The disclosure includes the title of the pronouncement, nature date when the entity is likely to apply, and discussion of the impact on initial application or a statement to the effect that impact is not known.	where change to the new standard would result in financial statements being adjusted prospectively or on a cumulative catch-up adjustment. The disclosure should encompass the description of the new standard and the date of adoption; if the entity plans to to early adopt then such date needs to be disclosed. A discussion of method and impact of adoption needs to be made. If the impact is unknown or cannot be reasonably estimated a statement to that effect should be made. A disclosure of potential impact of other significant matters that the entity believes might result from the adoption of the standard should also be made. The MD&A should disclose the impending accounting changes and its effect on revenue to inform the reader of the financial statement about expected impacts in future periods as per the MD&A requirements.	
B.6.3. CORRECTION OF ERRORS (PRIOR PERIOD ITEMS)		
The nomenclature used in **IFRS** is fundamental errors which covers all items in the financial statements including assets and liabilities.	Prior period adjustments under **US GAAP** are limited to material adjustments (in relation to income from continuing operations of the current year) determined as specifically identifiable to the business activities of a particular prior period, which are not attributable to economic events occurring after the date of the financial statements of that prior period, and which depend mainly on determinations by persons other than management, that are not susceptible of reasonable estimation prior to such determination.	Unlike **IFRS**, the definition of 'Prior period items' is restricted to income or expenses in current period occurring as a result of errors or omissions in the preparation of financial statements of prior period(s).
The reporting requirements are	Similar to **IFRS**, reported as	Reported as a prior-period

IFRS	US GAAP	INDIAN GAAP
similar to changes in accounting policy.	a prior-period adjustment; restatement of comparatives is mandatory.	adjustment separately in the income statement in a manner that its impact on the income statement can be perceived. Restatement of comparatives is prohibited.
B.6.4. CHANGES IN ACCOUNTING ESTIMATES		
Changes in accounting estimates are accounted for in the income statement when identified.	Similar to **IFRS**.	Similar to **IFRS**. However, the impact of change in depreciation method (considered as change in accounting policy under Indian GAAP) is determined by retrospectively computing depreciation under the new method, and is recorded in the period of change whereas on revision of asset life, the unamortised depreciable amount is charged over the revised remaining asset life.
C. REVENUE RECOGNITION:		
Two primary revenue standards capture all revenue transactions within one of four broad categories: a) Sale of Goods b) Rendering of Services c) Other's use of an entity's asset (yielding interest, royalties etc.) d) Construction contracts. Revenue recognition criteria for each of these categories includes a probability that the economic benefits associated with the transaction will flow to the entity and that the revenue and costs can be measured reliably. Additional recognition criteria apply within each broad category. The principles laid out within each of the categories are generally to be applied without significant further rules and/or exceptions.	Revenue recognition guidance is extensive and includes a significant volume of literature issued by various US standard setters. Generally, the guidance focuses on revenue being realised or realisable (either converted into cash or cash equivalents, or the likelihood of its receipt being reasonably certain) and earned (no material transaction pending & the related performance has occurred) and revenue recognition is considered to involve an exchange transaction that is, revenue should not be recognised until an exchange transaction has occurred. These rather straightforward concepts are, however, augmented with detailed rules Which are industry specific like certain statement of position for information technology industry.	Similar to **IFRS**, except that in certain circumstances, revenue from the rendering of services is service. Further, unlike **IFRS**, the accounting standard on revenue recognition does not provide guidance on measurement of revenue.
D. EXPENSE RECOGNITION – EMPLOYEE BENEFITS:		
D.1. BASES OF CHARGE TO INCOME STATEMENT (INCOME STATEMENT CLASSIFICATION)		
The expense will be made up of service cost, interest cost, expected return on assets, recognised actuarial	All components of net pension cost must be aggregated and presented as a net amount in the income statement.	Similar to **IFRS**.

IFRS	US GAAP	INDIAN GAAP
gains/losses, recognised past service costs, curtailment or settlement impacts and any impact of the asset ceiling. **IFRS** does not prescribe where in the income statement each component of pension expense is recognised but requires disclosure of the line item in which each component is recorded. The guidance rather allows for the potential disaggregation of the component pieces of pension cost within the income statement.	While it is appropriate to allocate a portion of net pension expense to different line items (such as cost of goods sold if other employee costs are included in this caption), the disaggregation and separate reporting of different components of net pension expense are precluded.	
D.2.1. EXPENSE RECOGNITION - ACTUARIAL GAINS AND LOSSES		
An entity can either (1) recognise immediately in the income statement or (2) amortise into income statement through the use of corridor approach (or any systematic method that result in faster recognition than corridor approach) or (3) recognise immediately outside of the income statement through SoRIE (or OCI under IAS 1R).	Similar to **IFRS**, except there is no option to permanently recognise actuarial gains/losses outside the income statement (SoRIE option). Further, the actuarial gains and losses are amortised over the remaining life expectancy of the plan participants if all or almost all plan participants are inactive.	There is no option, but to recognise the actuarial gains/losses immediately (in full) in the income statement.
D.2.2. EXPENSE RECOGNITION - PAST-SERVICE COSTS AND CREDITS		
Positive and negative past-service cost is recognised in the income statement over remaining vesting period. Where benefits have already vested, past-service cost is recognised immediately.	Positive prior-service costs for current and former employees are recognised out of AOCI and into income over the period during which the employer expects to receive an economic benefit from the increased pension benefit, which is typically the remaining service periods of active employees. Negative prior-service costs first offset previous positive prior- service costs, with the excess recognised in income in the same manner as positive prior-service cost.	Similar to **IFRS**.
D.3. RECOGNITION OF ASSET OR LIABILITY IN RESPECT OF A DEFINED BENEFIT PLAN (BALANCE SHEET PRESENTATION)		
The amount recognised as a defined benefit asset (or liability) is the present value of	The funded status of the defined benefit plan (that is, present value of the defined benefit	Similar to **IFRS** except that actuarial gains/losses are recognised fully in the year of

IFRS	US GAAP	INDIAN GAAP
the defined benefit obligation, less the fair value of plan assets, plus or minus actuarial gains/losses not yet recognised as a result of the application of the 'corridor' approach and unrecognised past service cost.	obligation less the fair value of plan assets) is recognised in the balance sheet. All actuarial gains/losses and past service costs not reflected in the income statement are recognised on the balance sheet, with a corresponding entry to AOCI.	their occurrence as a part of present value of defined benefit obligation.
D.4. RECOGNITION OF MINIMUM PENSION LIABILITY		
Not required.	Additional minimum liability required when the accumulated benefit obligation (ABO) exceeds the fair value of the plan assets. It is increased by any prepaid pension asset and decreased by any accrued pension liability previously recognised.	Not required.
D.5. DISCOUNT RATE FOR OBLIGATIONS		
Based on market yields on high-quality corporate bonds with durations that are similar to those of the benefit obligation. Government bond yields are used, where there is no deep market in high- quality corporate bonds.	Based on high-quality, fixed-income investments (including corporate bonds) with similar durations.	Based on government bond market-yields with durations that are similar to those of the benefit obligation.
D.6. DETERMINATION OF FAIR VALUE OF PLAN ASSETS		
Measured at fair value, which is defined as the amount for which an asset could be exchanged in an arm's length transaction between knowledgeable and willing parties. For securities quoted in an active market, the bid price should be used.	Measured at fair value less cost to sell in accordance with FAS 157. Fair value should reflect an exit price at which the asset could be sold to another party. For markets in which dealer-based pricing exists, the price that is most representative of fair value, regardless of where it falls on the fair value hierarchy, should be used. As a practical expedient, the use of midmarket pricing is used.	Similar to **IFRS**.
D.7. EXPECTED RETURN ON PLAN ASSETS		
Plan assets should always be measured at fair value and fair value should be used to determine the expected return on plan assets.	Plan assets should be measured at fair value. However, for the purposes of determination of the expected return on plan assets and the related accounting for asset gains and losses, plan assets can be measured by using either fair value or a calculated value that recognises changes in fair value over a period of not more than five years.	Similar to **IFRS**.
D.8. BALANCE SHEET ASSET LIMITATION		

IFRS	US GAAP	INDIAN GAAP
Asset limited to the lower of: (1) The asset resulting from applying the standard; or (2) The total of any unrecognised actuarial losses and past-service cost, and the present value of any available refunds from the plan or reduction in future contributions to the plan. The guidance also governs the treatment and disclosure of amounts, if any, in excess of the asset ceiling.	There is no limitation on the size of the pension asset that can be recorded.	Asset limited to the lower of: (1) The asset resulting from applying the standard; or (2) The present value of any available refunds from the plan, or reduction in future contributions to the plan.
D.9. SUBSTANTIVE COMMITMENT TO PROVIDE PENSION OR OTHER POST-RETIREMENT BENEFITS		
In certain circumstances, a history of regular increases may indicate (1) A present commitment to make future plan amendments (2) That additional benefits will accrue to prior-service periods. In such cases, the substantive commitment (to increased benefits) is the basis for determination of the obligation.	The determination of whether a substantive commitment exists to provide pension or other post- retirement benefits for employees beyond the written terms of a given plan's formula requires careful consideration. Although actions taken by an employer can demonstrate the existence of a substantive commitment, a history of retroactive plan amendments is not sufficient on its own.	Broadly similar to **IFRS**. However, there could be difference in practice.
D.10. COMPENSATED ABSENCES		
These benefits may accumulate over the employee's service period. For a benefit that is attributable to an accumulating right, all three frameworks generally recognise the liability, as the employee provides the service that gives rise to the right to the benefit.		
The plan is segregated between short- term and other long-term employee benefits. The expected cost of accumulating short-term compensated absences is recognised on an accrual basis. Liability for long-term compensated absences is measured using projected credit unit method.	No segregation between short-term and long-term. The expected cost of all the accumulating compensated absences is recognised on an accrual basis. Discounting is permitted in rare circumstances.	Similar to **IFRS**.
D.11. TERMINATION BENEFITS		
Termination benefits are recorded when the entity is demonstrably committed to a reduction in workforce. Termination indemnities are generally payable regardless of the reason for the employee's departure. The payment of such benefits is certain (subject to any vesting or minimum service requirements), but the timing of their payment is uncertain.	Specific guidance is provided on post-employment benefits, e.g. salary continuation, termination benefits, training and counselling. **US GAAP** distinguishes between four types of termination benefits (with three timing methods for recognition), this could lead to differences when compared to **IFRS**.	Termination benefits arising from redundancies are accounted for provisions similar to restructuring provisions, i.e., when the entity has a present obligation as a result of past event and the liability is considered probable and can be reliably estimated.

IFRS	US GAAP	INDIAN GAAP
Termination indemnities are accounted for consistently with pension obligations (i.e., including a salary progression element and discounting).	Termination indemnity plans are considered defined benefit plans under **US GAAP**. Entities may choose whether to calculate the vested benefit obligation as the actuarial present value of the vested benefits to which the employee is entitled if the employee separates immediately, or as the actuarial present value of the benefits to which the employee is currently entitled, based on the employee's expected date of separation or retirement.	If an offer is made to encourage voluntary redundancy, the measurement of termination benefits is based on the actual number of employees accepting the offer and is immediately expensed. However, as a transition provision, for the liability incurred on termination benefits up to 31 March 2009, entities may defer such cost over its pay-back period but any unamortised amount cannot be carried forward to accounting periods commencing on or after 1 April 2010. Hence, the expenditure so deferred should be written off over (a) the pay- back period or (b) the period from the date on which expenditure on termination benefits is incurred to 1 April 2010, whichever is shorter Accounting for termination indemnities is similar to **IFRS**.
E. EXPENSE RECOGNITION –SHARE-BASED PAYMENTS		
E.1. SCOPE		
IFRS 2 includes accounting for all employee and non-employee arrangements. Furthermore, the IFRS 2 definition of an employee is broader than the FAS 123R definition.	FAS 123R applies to awards granted to employees and non-employees, but does not amend the existing guidance on ESOPs and determining the measurement date for equity classified non-employee instruments.	SEBI guidelines (SG) apply to entities whose equity shares are listed on a recognised stock exchange, whereas Guidance Note (GN) is recommendatory in nature. Both cover awards granted to all employees and directors. There is no guidance for awards issued to non-employees, except disclosures are required under the Companies Act, 1956.
E.2. RECOGNITION		
The value of services received is recognised over the vesting period, depending upon the terms of the awards (service, performance, market condition or a combination of conditions).	Similar to **IFRS**.	SG: For all awards, the value of services received is recognised over the service period (vesting period). There is no separate guidance for awards that contain market or performance conditions.
The award is presumed to be for past services if it is unconditional and vests immediately.		GN: similar to **IFRS**.
E.3. REVERSAL OF COMPENSATION COST		
The compensation cost is determined based on best estimate of number of awards expected to vest and is revised on receipt of additional	Similar to **IFRS**.	SG: the compensation cost is determined based on number of awards granted and are adjusted on actual forfeiture of awards. GN: similar to **IFRS**.

IFRS	US GAAP	INDIAN GAAP
information, and finally adjusted for awards that eventually vest.		
Previously recognised compensation cost shall not reverse the amount recognised for services received from an employee if the vested equity instruments are later forfeited or, in the case of share options, the options are not exercised.	Similar to **IFRS**.	SG: previously recognised compensation cost is reversed if the vested equity instruments are later forfeited or, i n case of share options, the options are not exercised. GN: similar to **IFRS**.
If the terms and conditions of an option or share grant are modified (e.g. an option is re-priced) or replaced with another grant of equity instruments, the entity accounts for the incremental fair value (if any), at the modification date, over the remaining vesting period. If a grant is cancelled or repurchased, the entity treats it as accelerated vesting and recognises immediately the unamortised compensation cost. The payment made on cancellation or repurchase should be considered as repurchase of the equity interest (reduced in equity), except to the extent the payment exceeds the fair value of the equity instruments at the repurchase date; recognised as an expense. Irrespective of any modification, cancellation or settlement of a grant of equity instruments to employees, **IFRS** generally requires the entity to recognise, as a minimum, the services received measured at the grant-date fair value of the equity instruments granted.	Similar to **IFRS**.	SG permits modification (re-pricing) of awards, however, the modified terms cannot be detrimental to the interests of the employees. However, there is no specific accounting guidance for such transactions. SG: in absence of a specific guidance, varied practices exist. GN: similar to **IFRS**.
E.4. EMPLOYEE STOCK PURCHASE PLAN (ESPP)		
There is no compensation cost exemption for employee stock purchase plans.	Employee stock purchase plans that (1) provide employees with purchase discounts no greater than 5%, (2) permit participation by substantially all employees who meet limited employment criteria and (3) incorporates only certain limited option	There is no compensation cost exemption for employee stock purchase plans.

IFRS	US GAAP	INDIAN GAAP
	features may be treated as non-compensatory.	
F. EXPLORATION FOR AND EVALUATION OF MINERAL RESOURCES/ MINE DEVELOPMENT		
An entity shall classify exploration and evaluation assets as tangible or intangible according to the nature of the assets acquired, and apply the classification consistently. The entity shall treat exploration and evaluation assets as a separate class of assets and make the disclosures required by either IAS 16 Property, Plant and Equipment, or IAS 38 Intangible Assets, consistent with how the assets are classified. Exploration and evaluation assets are measured at cost or revaluation less accumulated amortization and impairment loss. An entity determines the policy specifying which expenditure is recognised as exploration and evaluation assets.	Similar to IFRS, An entity shall classify exploration and evaluation assets as tangible or intangible according to the nature of the assets acquired, and apply the classification consistently. As per the FAS-19 on Financial Accounting and Reporting by Oil and Gas Producing, there are two alternative methods for accounting for acquisition, exploration and development cost viz. the Successful Efforts Method or the Full Cost Method.	As per the Guidance Note on Accounting for Oil and Gas producing Activities, there are two alternative methods for accounting for acquisition, exploration and development cost viz. the Successful Efforts Method or the Full Cost Method. The Guidance note recommends Successful Efforts Method. AS-26 on Intangible Assets, exclude natural resources from the applicability of standards. AS-28, Impairment of Assets is applicable irrespective of the method of accounting used. There is no specific guidance on accounting of mine development; various practices are followed by the industry.
G. ASSETS-NONFINANCIAL ASSETS		
G.1. PROPERTY, PLANT AND EQUIPMENT (PPE)		
G.1.1. INITIAL MEASUREMENT		
PPE, at initial measurement, comprises the purchase price plus costs directly attributable to bringing the asset to the location and working condition necessary for it to be capable of operating in the way management intends. Start-up and pre-production costs are not capitalised unless they are a necessary part of bringing the asset to its working condition. The following are also included in the initial measurement of the asset: • The costs of site preparation • Initial delivery and handling costs	Similar to **IFRS**, except that hedge gains/losses on qualifying cash flow hedges are not included. Relevant borrowing costs are included if certain criteria are met.	Similar to **IFRS**, except that there is no specific guidance on the measurement of gains/losses on qualifying cash flow hedges and Capitalisation of dismantling and site restoration costs. Also, expenditure during the construction period are allocated to respective fixed assets at the time of completion/installation.

IFRS	US GAAP	INDIAN GAAP
• Installation and assembly costs • Costs of employee benefits arising from construction or acquisition of the asset • Costs of testing whether the asset is functioning properly • Professional fees • Fair value gains/losses on qualifying cash flow hedges relating to the purchase of PPE in a foreign currency and • The initial estimate of the costs of dismantling and removing the item and restoring the site on which PPE is located. Further, the entity must include borrowing costs incurred during the period of acquiring, constructing or producing the asset for use. Government grants received in connection with acquisition of PPE may be offset against the cost.		
G.1.2. SUBSEQUENT EXPENDITURE		
Subsequent maintenance expenditure is expensed as incurred. Replacement of parts may be capitalised when general recognition criteria are met. The cost of a major inspection or overhaul occurring at regular intervals is capitalised where the recognition criteria are satisfied. The net book value of any replaced component would be expensed at the time of overhaul.	Similar to **IFRS**.	Similar to **IFRS**, except that the replaced components are charged to profit & loss account.
G.1.3. SUBSEQUENT MEASUREMENT		
PPE is accounted using either the cost model or the revaluation model – a company needs to take a policy choice. PPE is carried at cost less accumulated depreciation and impairment. If revaluation model is	PPE is carried at cost less accumulated depreciation and impairment. Revaluation is not permitted.	PPE is carried at cost less accumulated depreciation and impairment. Revaluation is permitted. If assets are revalued, an entire class of asset or selection of assets (e.g., assets of a unit) made on a systematic basis is

IFRS	US GAAP	INDIAN GAAP
adopted, an entire class of asset is revalued.		revalued.
Revaluations have to be kept sufficiently up-to-date to ensure that the carrying amount does not differ materially from fair value.	Revaluation is not permitted.	Frequency of revaluation is not specified.
An increase on revaluation is credited directly to equity as revaluation surplus, unless it reverses a revaluation decrease for the same asset previously recognised as an expense. In this case it is recognised in the income statement. A decrease on revaluation is charged directly against any related revaluation surplus for the same asset; any excess is recognised as an expense.	Revaluation is not permitted.	Similar to **IFRS**, except the term used is revaluation reserve.
G.1.4. DEPRECIATION		
The depreciable amount of an item of PPE (cost or valuation less residual value) is allocated on a systematic basis over its useful life, reflecting the pattern in which the entity consumes the assets benefits. Additionally, an entity is required to depreciate separately the significant parts of PPE if they have different useful lives (component approach). For example, it may be appropriate to depreciate separately the airframe and engines of an aircraft.	Similar to **IFRS**. However, **US GAAP** generally does not require a component approach for depreciation.	The depreciable amount of an item of PPE is allocated on a systematic basis over its useful life, but a governing statute may provide rates for depreciation, where those rates would prevail. However, where the useful life determined by management is shorter than that envisaged under the relevant statute, the depreciation is computed by applying a higher rate. For example, Schedule XIV of the Companies Act, 1956 provide minimum rate of depreciation for companies. Generally, a component approach is not required or followed for depreciation.
Depreciation on revalued portion can not be recouped from the revaluation surplus.	Revaluation is not permitted.	Depreciation on revalued portion is recouped from the revaluation reserve.
G.1.5. CHANGE IN DEPRECIATION METHOD AND LIFE OF ASSET		
Both are treated as a change in accounting estimate, reflected in the depreciation charge for the current and prospective periods.	Similar to **IFRS**.	Change in depreciation method is determined by retrospectively computing depreciation under the new method and the impact is recorded in the period of change. However, on revision of asset life, the unamortised depreciable amount is charged prospectively over the revised remaining asset life.

IFRS	US GAAP	INDIAN GAAP
G.1.6. PERIODIC REVIEWS		
The depreciation method is reviewed periodically; residual values and useful lives are reviewed at each balance sheet date.	The depreciation method, residual values and useful lives are reviewed periodically; appropriateness of these decisions should be assessed at each reporting date.	Periodic reviews of depreciation methods, residual values and useful lives are not specifically required.
G.2. CAPITALISATION OF BORROWING COSTS		
G.2.1. RECOGNITION		
Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are required to be capitalised as part of the cost of that asset.	Capitalisation of interest costs while a qualifying asset is being prepared for its intended use is required.	Similar to **IFRS**.
G.2.2. MEASUREMENT		
The amount of interest eligible for capitalisation is (a) The actual costs incurred on a specific borrowing less any investment income on temporary investment of those borrowings and (b) An amount calculated using the weighted average method, considering all the general borrowings outstanding during the period. Capitalisation of interest ceases once the asset is ready for its intended use or sale. To the extent borrowing costs are not specific, while applying the capitalisation rate (usually weighted average rate) the amount of borrowing costs capitalised during a period should not exceed the amount of borrowing costs incurred during that period.	The amount of interest cost to be capitalised for qualifying assets is based on an avoidable cost concept (i.e., the interest cost during the assets acquisition period that theoretically could have been avoided). If there is a specific new borrowing, the rate on that borrowing is applied as the capitalisation rate to the appropriate portion of the expenditures for the asset. A weighted average of the rates on other borrowings is applied to expenditures not covered by specific new borrowings. The total amount of interest cost capitalised in an accounting period cannot exceed the total amount of interest cost incurred in that period. Interest earned on temporary investment of specific borrowings cannot be netted against interest expense, except for certain governmental or private entities that finance qualifying assets through tax-exempt borrowings. In these cases, interest costs to be capitalised are required to be reduced by related interest income.	Similar to **IFRS**.
G.3. ACCOUNTING FOR GOVERNMENT GRANTS		
G.3.1 RECOGNITION		
Grants are recognised once there is reasonable assurance	No guidance on government grants, however in general	Similar to IFRS.

IFRS	US GAAP	INDIAN GAAP
that the conditions for their receipt will be met and the grant will be received.	recognition of grants is delayed until, conditions attached to the grants are fulfilled.	
G.3.2. GRANTS IN THE FORM OF NON-MONETARY ASSETS		
Grants are accounted at fair value and presented in the balance sheet either as deferred income or deducting the grant from the asset. Alternatively, asset and grant are recognised at nominal amount.	No specific guidance. In practice, IT generally refers to IFRS	Grants given at a concessional rate, are accounted for on the basis of their acquisition cost. If a non- monetary asset is given free of cost, it is recorded at a nominal value.
G.3.3. GRANTS IN THE FORM OF NON-DEPRECIABLE ASSET		
All grants are recognised as income over the periods which bear the cost of meeting the obligation, on a systematic basis. It specifically prohibits recognition of grants directly in the shareholders funds.	Same as above.	Similar to IFRS. Alternatively, the amount of grant can be recorded directly within capital reserves forming part of shareholders funds. Further, it requires promoters contribution to be credited directly to capital reserve.
G.3.4. REFUNDABLE GRANTS		
Repayment of a grant related to income is applied first against any unamortised deferred credit set up in respect of the grant. In case of shortfall, the repayment is recognised immediately as an expense. Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income. If the carrying amount of the asset has been increased, it requires retrospective recomputation of depreciation and the cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.	Same as above.	Similar to IFRS, except where the carrying amount of the asset has been increased, depreciation on the revised book value is provided prospectively over the residual life of the asset.
G.4. INTANGIBLE ASSETS		
G.4.1. RECOGNITION - ADDITIONAL CRITERIA FOR INTERNALLY GENERATED INTANGIBLES		
The costs associated with the creation of intangible assets are classified between the research phase and development phase. Costs in the research phase are	Unlike **IFRS**, both research and development costs are expensed as incurred, making the recognition of internally generated intangible assets	Similar to **IFRS**.

IFRS	US GAAP	INDIAN GAAP
always expensed. Costs in the development phase are capitalised if, and only if, all of the specified condition are satisfied. Development costs initially recognized as an expense cannot be capitalised in a subsequent period.	rare.	
G.4.2. MEASUREMENT - INTERNALLY GENERATED INTANGIBLES		
The cost comprises all expenditures that can be directly attributed or allocated to creating, producing and preparing the asset from the date when the recognition criteria are met.	Costs of internally developing, maintaining or restoring intangible assets that are not specifically identifiable and that have indeterminable lives, or that are inherent in a continuing business and related to an entity as a whole, are recognised as an expense when incurred.	Similar to **IFRS**.
G.4.3. SUBSEQUENT MEASUREMENT - ACQUIRED AND INTERNALLY GENERATED INTANGIBLES		
Intangible assets are accounted using either the cost model or the revaluation model a company needs to take a policy choice. Intangible assets are carried at cost less accumulated amortization (only for finite life intangible) and impairment. If the revaluation model is adopted, subsequent revaluation of intangible assets to their fair value is based on prices in an active market. Revaluations are performed regularly and at the same time for all assets in the same class. However, revaluation model is rarely used in practice.	Similar to **IFRS**, except revaluation model is prohibited.	All intangible assets are carried at cost less accumulated amortisation and impairment. Revaluation model is prohibited.
G.4.4. AMORTISATION - ACQUIRED AND INTERNALLY GENERATED INTANGIBLES		
If the asset has a finite life, they are amortised, from the date when the asset is available for use, else the asset with an indefinite life are tested at least annually for impairment. There is no presumed maximum life.	Similar to **IFRS**.	All intangible assets are amortised over their estimated useful life, from the date when the asset is available for use, with a rebuttable presumption that the useful life does not exceed ten years.
G.5. INVESTMENT PROPERTY		
G.5.1. DEFINITION		
Property (land and/or building) held in order to earn rentals and/or for capital appreciation. It would include property being constructed or developed for	No specific definition.	Property (land and building) not intended to be occupied substantially for use by, or in the operations of, the investing enterprise.

IFRS	US GAAP	INDIAN GAAP
future use as investment property (from period beginning on or after 1 Jan 2009) The definition does not include owner-occupied property or property held for sale in the ordinary course of business.		
G.5.2. INITIAL MEASUREMENT		
The same cost-based measurement is used for acquired and self-constructed investment property. The cost of a purchased investment property comprises its purchase price and any directly attributable costs, such as professional fees for legal services, property transfer taxes and other transaction costs. Property acquired under finance or operating lease can also be classified as investment property. Specific rules exist for accounting for property acquired under an operating lease as investment property.	Initial measurement is similar to **IFRS**, with few exceptions.	Acquired investment property would be classified as long-term investment with initial measurement, similar to **IFRS**. Self-constructed property is accounted for as PPE until construction is complete; then it professional fees for legal services, property transfer taxes and other transaction costs. Property acquired under finance or operating lease can also be classified as investment property. Specific rules exist for accounting for property acquired under an operating lease as investment property.
G.5.3. SUBSEQUENT MEASUREMENT		
The entity can choose between the fair value and depreciated cost models for all investment property, including the investment property under construction or development. When fair value is applied, the gain or loss arising from a change in the fair value is recognised in the income statement and the carrying amount is not depreciated. Where the fair value is not reliably measurable for investment property under construction or development, the property may be measured at cost until the completion of construction or the date at which fair value becomes reliably measurable, whichever is earlier. Rules of Impairment testing applies.	The historical cost model is used for most real-estate companies and operating companies. Investor entities such as many investment companies, insurance companies separate accounts, bank- sponsored real-estate trusts and employee benefit plans that invest in real-estate carry their investments at fair value.	Investment property is treated as long-term investment and carried at cost less depreciation and provision for diminution in value of investment, which is other than temporary, is made. Reversal of diminution provision is permitted.
G.6. IMPAIRMENT OF LONG-LIVED ASSETS HELD FOR USE		
G.6.1. RECOGNITION AND MEASUREMENT		
An entity should assess at each reporting date whether there are any indications that an asset may be impaired. The asset is	Similar to **IFRS**, except that no guidance for intangible assets not yet ready for use.	Similar to **IFRS**, except that annual test is required only for intangible assets that are amortised for a period longer

IFRS	US GAAP	INDIAN GAAP
tested for impairment if there is any such indication. Irrespective of indication, an annual test is also required for intangible assets with indefinite useful lives or not yet ready for use.		than ten years and for intangible assets not yet ready for use.
G.6.2. REVERSAL OF IMPAIRMENT LOSS		
Impairment losses are reversed when there has been a change in economic conditions or in the expected use of the asset. For non-current, non-financial assets (excluding investment property) carried at revalued amounts instead of depreciated cost, impairment losses related to the revaluation are recorded directly in equity to the extent of prior upward revaluations.	The reversal of impairment is prohibited.	Similar to **IFRS**.
G.7. LEASES		
G.7.1. DETERMINATION WHETHER AN ARRANGEMENT CONTAINS A LEASE		
Under **IFRS** if a transaction or a series of transaction does not take the legal form of a lease but renders a right to use an asset in return for a payment or series of payments, it is required for an entity to determine whether such an arrangement is a lease e.g. outsourcing arrangements, take-or-pay contracts, arrangement to transfer right of capacity in telecom industry etc. Lease determination is based on the substance of the arrangement and an assessment of (1) whether a right to use the asset is conveyed and (2) whether fulfillment of the arrangement depends on the use of a specific asset.	Broadly similar to **IFRS**.	Under **Indian GAAP** there is no specific guidance, however, in practice, entities may look at **IFRS** for guidance.
G.7.2. EVALUATION OF THE SUBSTANCE OF TRANSACTIONS WITH LEGAL FORM OF A LEASE		
Under **IFRS** a series of interrelated transactions that involve the legal form of a lease is linked and accounted for as single transaction, if it is not possible to understand the overall economic effect without reference to the series	Broadly similar to **IFRS**.	Under **Indian GAAP**, there is no specific guidance. In practice, a series of interrelated transaction may not be viewed as a single transaction, rather will be accounted separately based on terms of individual transaction.

IFRS	US GAAP	INDIAN GAAP
of the transactions as a whole.		
G.7.3. EXERCISE OF RENEWAL/ EXTENSION OPTIONS WITHIN LEASES		
If the period covered by the renewal option was not considered to be part of the initial lease term, but the option is ultimately exercised based on the contractually stated terms of the lease, the original lease classification under the guidance continues into the extended term of the lease; it is not revisited.	The renewal or extension of a lease beyond the original lease term, including those based on existing provisions of the lease arrangement, normally triggers a fresh lease classification.	Similar to IFRS
G.7.4. LEASES INVOLVING LAND AND BUILDING		
Under **IFRS**, land and building elements are considered separately, unless the land element is not material. This means that nearly all leases involving land and building should be bifurcated into two components, with separate classification considerations and accounting for each component.	Land and building elements are generally accounted for as a single unit, unless the land represents 25% or more of the total fair value of the leased property.	However under **Indian GAAP** there is no specific guidance on lease of land and building as single component. Land is specifically excluded from the scope of lease accounting (AS 19).
G.8. INVENTORIES		
G.8.1. SCOPE		
Excludes work in progress arising under construction contracts, including directly related service contracts, financial instruments, and biological assets related to agricultural activity and agricultural produce at the point of harvest. In addition, it does not apply to the measurement of (i) producers of agricultural and forest products, agricultural produce after harvest, and minerals and mineral products, to the extent that they are measured at net realisable value in accordance with well-established industry practices and (ii) commodity broker-traders who measure their inventories at fair value less costs to sell.	There are multiple pronouncement that cover inventory recognition and measurement.	Excludes work in progress arising under construction contracts, including directly related service contracts, work in progress arising in the ordinary course of business of service providers and shares, debentures and other financial instruments held as stock-in-trade. In addition, it does not apply to producers' inventories of livestock, agricultural and forest products, and mineral oils, ores and gases to the extent that they are measured at net realisable value in accordance with well established industry practices.
G.8.2. MEASUREMENT AND COST FORMULAE		
Inventories are carried at lower of cost or net realisable value (sale proceeds less all further costs to bring the inventories to completion and sale). Reversal (limited to the	Inventories are carried at lower of cost or market value. Market value is defined as being current replacement cost subject to an upper limit of net realisable value and a lower limit of net	No guidance on reversal of write- down, but in practice, accounting is similar to **IFRS**.

IFRS	US GAAP	INDIAN GAAP
amount of the original write-down) is required for a subsequent increase in value of inventory previously written down.	realisable value less a normal profit margin. Reversal of a write-down is prohibited, as a write-down creates a new cost basis.	
Permits FIFO and weighted average cost method, but prohibits LIFO method.	Permits FIFO, LIFO and weighted average cost method.	Similar to **IFRS**.
G.8.3. CONSISTENCY OF THE COST FORMULA FOR SIMILAR INVENTORIES		
The same cost formula is used for all inventories that have a similar nature and use to the entity.	Similar to **IFRS**.	Not specified, but consistency is a fundamental principle.
G.9. OTHER ITEMS		
G.9.1. NON-CURRENT ASSETS HELD-FOR-SALE		
A non-current asset is classified as held-for-sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The asset should be available for immediate sale in its present condition, and its sale should be highly probable. Specific criteria must be met to demonstrate that the sale is highly probable. Once classified as held for sale, the asset is measured at the lower of its carrying amount and fair value less costs to sell with any loss being recognised in the income statement. These assets are not depreciated or amortised during the selling period. They are presented separately from other assets in the balance sheet.	Similar to **IFRS**.	Similar to **IFRS**, except that there is no requirement to classify an asset as held for sale and present it separately on the face of the balance sheet.
G.9.2. BIOLOGICAL ASSETS		
Biological assets are measured on initial recognition and at each balance sheet date at their fair value less estimated costs to sell. All changes in fair value are recognised in the income statement in the period in which they arise.	No specific guidance; historical cost is generally used.	No specific guidance. However, these are carried at historical cost and classified as fixed assets as per Schedule VI of the Companies Act, 1956.
G.9.3. CONTINGENT ASSETS		
A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the entity's control. An asset is	Similar to **IFRS**, but the threshold for recognising insurance recoveries is lower. The recovery is required to be probable (the future event or events are likely to occur) rather than virtually certain as under **IFRS**.	Similar to **IFRS**, except certain disclosures as specified under **IFRS** are not required.

IFRS	US GAAP	INDIAN GAAP
recognised only when the realisation of the associated benefit, such as an insurance recovery, is virtually certain.		
H. LIABILITIES–NONFINANCIAL LIABILITIES		
H.1. LIABILITIES – TAXES		
H.1.1 GENERAL CONSIDERATIONS		
H.1.1 BASIS FOR DEFERRED TAX ASSETS AND LIABILITIES		
Temporary differences – i.e., the difference between carrying amount and tax base of assets and liabilities.	Similar to **IFRS**.	Timing differences i.e., the difference between accounting income and taxable income for a period that originate in one period and are capable of reversal in one or more subsequent periods.
H.1.2. MEASUREMENT OF DEFERRED TAX		
H.1.2.1. TAX RATES		
Tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.	Use of substantively enacted rates is not permitted. Tax rate and tax laws used must have been enacted.	Similar to **IFRS**.
H.1.2.2. RECOGNITION OF DEFERRED TAX ASSETS		
Deferred tax assets are recognised when it is considered probable (defined as more likely than not) that sufficient taxable profits will be available to utilise the temporary difference. Valuation allowances are not allowed to be recorded.	Deferred tax assets are recognised in full, but are then reduced by a valuation allowance when it is considered more likely than not that some portion of deferred taxes will not be realised.	Deferred tax assets are recognised (a) if realisation is virtually certain for entities with tax losses carry-forward, whereas (b) if realisation is reasonably certain for entities with no tax losses carry forward.
H.1.2.3. RECOGNITION OF ASSET ON MINIMUM ALTERNATIVE TAX (MAT) CREDIT CARRY FORWARD.		
It is recognised as a deferred tax asset if it is probable (more likely than not) that MAT credit can be used in future years to reduce the regular tax liability.	It is recognised as a deferred tax asset in full, but is then reduced by a valuation allowance, if it more likely than not that MAT credit cannot be used in future years to reduce the regular tax liability.	It is considered as a prepaid tax and recognised as an asset (not as a deferred tax asset) when and to the extent there is convincing evidence that MAT credit will be used in future years to reduce the regular tax liability.
H.1.3. PRESENTATION OF DEFERRED TAX		
H.1.3.1 OFFSET OF DEFERRED TAX ASSETS AND LIABILITIES		
Permitted only when the entity has a legally enforceable right to offset and the balance relates to tax levied by the same authority.	Similar to **IFRS**.	Similar to **IFRS**.
H.1.3.2. CURRENT/NON-CURRENT		
Generally, deferred tax assets and liabilities are classified net (within individual jurisdiction) as non-current on the balance	The classification of deferred tax assets and deferred tax liabilities follows the classification of the related, non-tax asset or liability	Deferred tax asset, net, is disclosed after 'Net current assets'; whereas deferred tax liability, net, is disclosed

IFRS	US GAAP	INDIAN GAAP
sheet. Supplemental note disclosures are included to describe the components of the temporary differences as well as the recoverable amounts bifurcated between amounts recoverable les than or greater than one year from the balance sheet date.	for financial reporting (as either current or noncurrent). If a deferred tax asset is not associated with an underlying asset or liability, it is classified based on the anticipated reversal periods. Any valuation allowances are allocated between current and non-current deferred tax assets for a tax jurisdiction on a pro rata basis.	after 'Unsecured loans'.
H.1.3.4. MINIMUM ALTERNATIVE TAX CREDIT CARRY FORWARD		
Disclosed along with any other deferred tax amount.	Similar to **IFRS**.	Disclosed as "MAT credit entitlement" within "Loans and Advances", with a corresponding credit to the income statement and presented as a separate line item therein. MAT credit utilised is shown as a deduction from "Provision for Taxation" on the liabilities side of the Balance Sheet.
H.1.3.5. RECONCILIATION OF ACTUAL AND EXPECTED TAX EXPENSE		
Required. Computed by applying the applicable tax rates to accounting profit, disclosing also the basis on which the applicable tax rates are calculated.	Required for public companies only. Calculated by applying the domestic federal statutory tax rates to pre-tax income from continuing operations.	Not required.
H.2. LIABILITIES – OTHER		
H.2.1 RECOGNITION		
A contingent liability is defined as a possible obligation whose outcome will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events outside the entity's control. Contingent liabilities are disclosed unless the probability of outflows is remote. A contingent liability becomes a provision and is recorded when: a) the entity has a present obligation (legal or constructive) to transfer economic benefits as a result of past events b) it is probable (more likely than not) that such a transfer will be required to settle the	Similar to **IFRS**. Guidance uses the term probable to describe a situation in which the outcome is likely to occur. While a numeric standard for probable does not exist, practice generally considers an event that has a 75% or greater likelihood of occurrence to be probable.	Similar to **IFRS**.

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obligation and c) a reliable estimate of the amount of the obligation can be made. The term probable is used for describing a situation in which the outcome is more likely than not to occur. Generally, the phrase more likely than not denotes any chance greater than 50%.		
H.2.2. MEASUREMENT		
The amount recognised as a provision is the best estimate of the expenditure required (the amount an entity would rationally pay to settle the obligation at the balance sheet date). Where there is a continuous range of possible outcomes and each point in that range is as likely as any other, the midpoint of the range is used. The anticipated cash flows are discounted using a pre-tax discount rate (or rates).	A single standard does not exist to determine the measurement of obligations. Instead, entities must refer to guidance established for specific obligations (e.g., environmental or restructuring) to determine the appropriate measurement methodology. Pronouncements related to provisions do not necessarily have settlement price or even fair value as an objective in the measurement of liabilities and the guidance often describes an accumulation of the entity's cost estimates. When no amount within a range is a better estimate than any other amount, the low end (as against midpoint) of the range is accrued. A provision is only discounted when the timing of the cash flows is fixed or reliably determinable. Differences may arise in the selection of the discount rate.	Similar to **IFRS**, except that discounting is not required. In practice, provisions are measured by using a substantial degree of estimation.
H.2.3. CONSTRUCTIVE OBLIGATION		
A provision is recognised when an entity has a present obligation (legal or constructive) as a result of a past event. A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and as a result, the entity has created a	Similar to **IFRS**.	Constructive obligations are not considered for recognising provisions; however, provision is to be created in respect of obligations arising from normal business practice or to maintain good business relations or to act in an equitable manner.

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valid expectation on the part of those other parties that it will discharge those responsibilities.		
I. FINANCIAL INSTRUMENT		
I.1. FINANCIAL ASSETS		
I.1.1 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Two sub -categories: financial assets held for trading, and those designated to the category at inception.	An irrevocable decision to classify a financial asset at fair value, with changes in fair value recognised in the income statement, provided it results in more relevant information because either: a) It eliminates or significantly reduces a measurements or recognitions inconsistency. b) A group of financial assets, financial liabilities or both is managed and performance is evaluated on a fair value basis or c) The contract contains one or more substantive embedded derivatives.	Irrevocable decision to designate financial assets at fair value with changes in fair value recognised in the income statement. Unlike **IFRS**, this decision is not restricted to specific circumstances.
I.1.2. HELD-FOR-TRADING FINANCIAL ASSETS		
Debt and equity securities held for sale in the short term. Includes non-qualifying hedging derivatives.	The intention should be to hold the financial asset for a relatively short period, or as part of a portfolio for the purpose of short-term profit- taking. Subsequent measurement at fair value. Changes in fair value are recognised in the income statement.	Accounting similar to **IFRS** on adoption of AS-30 & AS-31. Similar to **IFRS**. Frequent buying and selling usually indicates a trading instrument.
I.1.3. HELD-TO-MATURITY INVESTMENTS		
Financial assets held with a positive intent and ability to hold to maturity. Measured at amortised cost using the effective interest rate method.	An entity should have the positive intent and ability to hold a financial asset to maturity, not simply a present intention. Measured at amortised cost using the effective interest rate method.	Accounting similar to **IFRS** on adoption of AS-30 & AS-31. Similar to **IFRS**, although **US GAAP** is silent about when assets cease to be tainted. For listed companies, the SEC states that the taint period for sales or transfers of held-to-maturity securities should be two years. Currently, As per AS-13, Long-term investments are carried at cost (with provision for other than temporary diminution in value).
I.1.4. LOANS AND RECEIVABLES		
Financial assets with fixed or determinable payments not quoted in an active market. May include loans and receivables purchased,	Measured at amortised cost.	Accounting similar to **IFRS** on adoption of AS-30 & AS-31. Does not define a loan and

IFRS	US GAAP	INDIAN GAAP
provided their intention is similar, but not interests in pools of assets (for example, mutual funds).		receivable category. Industry - specific guidance may also apply.
I.1.5. AVAILABLE-FOR-SALE FINANCIAL ASSETS		
Includes debt and equity securities designated as available for sale, except those classified as held for trading, and those not covered by any of the above categories.	Measured at fair value. Available-for-sale assets, including investments in unlisted equity securities, are measured at fair value (with an exception, only for instances where fair value cannot be reasonably estimated). Foreign exchange gains and losses on monetary assets are recognised in the income statement.	Accounting similar to **IFRS** on adoption of AS-30 & AS-31. Similar to **IFRS**, except unlisted equity securities are generally carried at cost (unless either impaired or the fair value option is elected). Changes in fair value are reported in other comprehensive income. Foreign exchange gains and losses on debt securities are recognised in equity. Currently, As per AS-13, Current investments carried at lower of cost or fair value.
I.1.6. IMPAIRMENT		
Entities should consider impairment when there is an indicator of impairment. A decline in the fair value of a financial asset below its cost that results from the increase in the risk-free interest rate is not necessarily evidence of impairment. An impairment of a security does not establish a new cost basis.	Requires the write-down of available-for-sale or held-to-maturity securities when an entity considers a decline in fair value to be other than temporary. A new cost basis is established after a security is impaired. Loans are considered impaired when it is probable that amounts will not be collected. Under **US GAAP**, the impairment loss for loans is generally measured on the basis of the present value of expected future cash flows discounted at the loan's effective interest rate. The impairment loss for available-for- sale and held-to-maturity securities is based on fair value.	Requires the write-down of long- term investments to income statement when an entity considers a decline in fair value to be other than temporary. It does not specifically lay down indicators of impairment. The reduction in carrying amount is reversed when there is a rise in the value of the investment, or if the reasons for the reduction no longer exist. On adoption of AS 30, AS 31 and AS 32 it will be similar to **IFRS**.
I.1.7 DERECOGNITION		
Derecognise financial assets based on risks and rewards first; control is secondary test.	Derecognise based on control. Requires legal isolation of assets even in bankruptcy.	Limited guidance on derecognition of assets. In general, derecognised based on transfer of risks and rewards. However, a Guidance Note on Accounting for Securitisation requires derecognition of

IFRS	US GAAP	INDIAN GAAP
		securitised assets if the originator loses control of the contractual rights that comprise the securitised asset. On adoption of AS 30, AS 31 and AS 32 it will be similar to **IFRS**.
I.2. FINANCIAL LIABILITIES		
I.2.1 CLASSIFICATION		
Classify capital instruments depending on substance of the issuer's obligations. Preferred shares that are not redeemable, or that are redeemable solely at the option of the issuer, and for which distributions are at the discretion of the issuer, are classified as equity. Preferred shares requiring the issuer to redeem for a fixed or determinable amount at a fixed or determinable future date and for which distributions are not at the discretion of the issuer, are classified as liabilities. However, if dividends are discretionary, the instrument is treated as a compound instrument with a debt and equity component. Preferred shares where the holder has the option of redemption and for which distributions are not at the discretion of the issuer are also classified as liabilities; in addition there is an embedded put option which may have to be accounted for separately.	Where an instrument is not a share, classify as liability when obligation to transfer economic benefit exists. Similar to IFRS.	On adoption of AS 31 it will be similar to **IFRS**. Further when AS 31 becomes notified the requirements of the Companies Act, 1956 would have to be suitably amended. However in practice, classification is based on legal form rather than substance. All preference shares are disclosed separately as share capital under shareholders' funds.
I.2.2 MEASUREMENT		
There are two categories of financial liabilities: those that are recognised at fair value through profit or loss (includes trading), and all others. Financial liabilities aside from those that are trading can only be designated at fair value through profit or loss provided they meet certain criteria. All other (non-trading) liabilities are carried at amortised cost using the effective interest method.	Similar to **IFRS**. However, incremental and directly attributable costs of issuing debt are deferred as an asset and amortised using the effective interest method, when the liability is not carried at fair value. There are also specific measurement criteria for certain financial instruments. Entities can generally use the fair value option to designate at initial recognition a financial liability at fair value through profit or loss, except for certain specific financial instruments such as	No specific guidance. Generally, liabilities are recorded at face value. On adoption of AS 30 and AS 31 it will be similar to **IFRS**.

IFRS	US GAAP	INDIAN GAAP
	demand deposits.	
I.2.3. DERECOGNITION OF FINANCIAL LIABILITIES		
A financial liability is derecognised when: the obligation specified in the contract is discharged, cancelled or expires; or the primary responsibility for the liability is legally transferred to another party. A liability is also considered extinguished if there is a substantial modification in the terms of the instrument - for example, where the discounted present value of new cash flows differs from the previous cash flows by at least 10%. The difference between the carrying amount of a liability (or a portion thereof) extinguished or transferred and the amount paid for it should be recognised in net income statement for the period.	Similar to **IFRS**, a financial liability is derecognised only if it has been extinguished. Extinguishment means paying the creditor and being relieved of the obligation or being legally released from the liability either judicially or by the creditor, or as a result of a substantial modification in terms (10% or greater change in discounted present value of cash flows).	No specific guidance. In practice, treatment would be similar to **IFRS** based on substance of the transaction, however, 10% criteria may not be applied. On adoption of AS 30 and AS 31 it will be similar to **IFRS**.
I.3. EQUITY		
I.3.1. RECOGNITION AND CLASSIFICATION		
An instrument is classified as equity when it does not contain an obligation to transfer economic resources. Preference shares that are not redeemable, or that are redeemable solely at the option of the issuer, and for which distributions are at the issuers discretion, are classified as equity. Only derivative contracts that result in the delivery of a fixed amount of cash, or other financial asset for a fixed number of an entity's own equity instruments, are classified as equity instruments. All other derivatives on the entity's own equity are accounted for as derivatives.	Equity is defined as ownership interest or residual interest of a business enterprise; for a non-business enterprise the concept of equity is replaced by net assets Unlike **IFRS**, certain derivatives on an entity's own shares that are or may be net share-settled can be classified as equity.	The Companies Act, 1956 defines an equity share capital as all share capital which is not a preference share capital. A preference capital is defined as a share capital (a) that with respect to dividends carry a preferential right to be paid a fixed amount or an amount calculated at a fixed rate and (b) that with respect to capital carries a preferential right to be repaid on a winding up or repayment of capital. Unlike **IFRS** and **US GAAP**, an equity component in a compound financial instrument is not bifurcated and accounted separately. These instruments are accounted, as one instrument based on their legal form.
I.3.2. DIVIDENDS ON ORDINARY EQUITY SHARES		
Presented as a deduction in the statement of changes in shareholders equity in the period when authorised by shareholders. Dividends are accounted in the year when	Similar to **IFRS**.	Presented as an appropriation to the income statement. Dividends are accounted in the year when proposed.

IFRS	US GAAP	INDIAN GAAP
declared.		
I.4. DERIVATIVES		
A derivative is a financial instrument: a) whose value changes in response to a specified variable or underlying rate (for example, interest rate) b) that requires no or little net investment and c) that is settled at a future date.	Sets out similar requirements, except that the terms of the derivative contract should require or permit net settlement. There are therefore some derivatives, such as option and forward agreements to buy unlisted equity investments that fall within the **IFRS** definition, not the **US GAAP** definition, because of the absence of net settlement.	In the absence of a specific accounting standard no generic definition is available. The guidance note on Accounting for Equity Index Options and Equity Stock Options uses an inclusive definition and states derivatives include, (a) a security derived from a debt instrument, share, loan, whether secured or unsecured, risk instrument or contract for differences or any other form of security; (b) a contract which derives its value from the prices, or an index of prices, of underlying securities. Currently, disclosure of derivatives has been made as per various announcements. Mark to market loss has been recognised for derivatives at the reporting dates. On adoption of AS 30 and AS 31 it will be similar to **IFRS**.
I.5. HEDGING		
H.5.1. HEDGE ITEMS		
Held-to-maturity investments cannot be designated as a hedged item with respect to interest-rate risk or pre-payment risk. If the hedged item is a financial asset or liability, it may be a hedged item with respect to the risks associated with only a portion of its cash flows or fair value provided that effectiveness can be measured. If the hedged item is a non-financial asset or liability, it may be designated as a hedged item only for foreign currency risk, or in its entirety for all risks because of the difficulty of isolating other risks. If similar assets or similar liabilities are aggregated and hedged as a group, the change	Similar to **IFRS**. The designated risk is the risk of changes in: the overall fair value or cash flow; market interest rates; foreign currency exchange rates; or the creditworthiness of the obligor. Portions of risk cannot be designated as the hedged risk. Similar to **IFRS**. Similar to **IFRS**. However in case of fair value hedge of portfolio of similar assets the change in fair value of individual item is expected to be in the range of 90% to 110% of the change in the portfolio.	On adoption of AS 30 and AS 31 it will be similar to **IFRS**.

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in fair value attributable to the hedged risk for individual items should be proportionate to the change in fair value for the group. Hedges are classified as Fair value hedge (Change in fair values to profit & loss account) and Cash flow hedge (only ineffective portion to profit & loss account)		
J. CONSOLIDATION		
J.1. INVESTMENTS IN SUBSIDIARIES		
J.1.1. PREPARATION		
Parent entities prepare consolidated financial statements that include all subsidiaries. An exemption applies to a parent: a) That is itself wholly owned or if the owners of the minority interests have been informed about and do not object to the parent not presenting consolidated financial statements, and b) When the parent's securities are not publically traded nor is in the process of issuing securities in public securities markets and the ultimate or intermediate parent publishes consolidated financial statements that comply with **IFRS**.	There is no exemption for consolidating subsidiaries in general purpose financial statements. Consolidated financial statements are presumed to be more meaningful and are required for the SEC registrants.	Consolidated financial statements are mandatory only for public listed companies, and are optional for other entities.
J.1.2. PRESENTATION OF NON-CONTROLLING OR MINORITY INTEREST		
Minority interests are presented as a separate component of equity in the balance sheet. In the income statement, the minority interests are presented on the face of the statement, but are not deducted from income statement in the determination of consolidated earnings. A separate disclosure on the face of the income statement attributing net earnings to equity holders is required.	Minority interest is currently presented outside of equity on the balance sheet and as a component of net income or loss in the income statement. **US GAAP** treatment under FAS 160 is similar to **IFRS**.	Minority interest is presented separately from liability and equity on the balance sheet and presented separately as a component of net income or loss in the income statement.
J.1.3. PARTIAL DISPOSALS OF SUBSIDIARIES WITH CONTROL RETAINED		
Does not specifically address such transactions. Entities	Parent company model is followed, wherein a gain or loss	Does not specifically address such transaction. However, in

IFRS	US GAAP	INDIAN GAAP
should develop and consistently apply an accounting policy based either on the economic entity or parent company model. IAS 27R requires the application of the economic entity model.	realised on partial disposal is recognised in the income statement. A gain or loss from indirect reduction of an interest in a subsidiary may be recognised in the income statement only if certain conditions are met (for example, if the transaction is not part of a group reorganisation), or else recognised as an adjustment to equity (additional paid-in capital). FAS 160 requires application of the economic entity model which is similar to **IFRS**.	practice, parent company model is followed. A gain or loss realised on partial disposal is recognised in the income statement. A gain or loss on indirect reduction of an interest is generally recognised in equity or adjusted to goodwill.
J.2. INVESTMENTS IN JOINT VENTURES		
J.2.1 DEFINITIONS AND TYPES		
A joint venture is defined as a contractual agreement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control of an economic activity. Unanimous consent of the parties sharing control, but not necessarily all parties in the venture, is required. **IFRS** distinguishes between three types of joint ventures: **a)** Jointly Controlled Entities **b)** Jointly Controlled Operations **c)** Jointly Controlled Assets	The term joint venture refers only to jointly controlled entities, where the arrangement is carried on through a separate entity. A corporate joint venture is defined as a corporation owned and operated by a small group of businesses as a separate and specific business or project for the mutual benefit of the members of the group. Most joint venture arrangements participating rights over the joint venture (with no single venturer having unilateral control) and each party sharing control must consent to the venture's operating, investing and financing decisions.	Similar to **IFRS**, except that unanimous consent of parties is not required.
J.2.2. JOINTLY CONTROLLED ENTITIES		
Either the proportionate consolidation method or the equity method is allowed. Proportionate consolidation requires the venturer's share of the assets, liabilities, income and expenses to be either combined on a line-by-line basis with similar items in the venturer's financial statements, or reported as separate line items in the venturer's financial statements. A full understanding of the rights and responsibilities conveyed in management, shareholder and other governing documents is necessary.	Prior to determining the accounting model, an entity first assesses whether the joint venture is a VIE. If the joint venture is a VIE, the accounting model discussed earlier,'Consolidation Model' is applied. Joint ventures often have a variety of service, purchase and/or sales agreements as well as funding and other arrangements that may affect the entity's status as a VIE. Equity interests are often split 50-50 or near 50-50, making non-equity interests (i.e., any variable interests)	Where a joint venture meets the definition of a subsidiary under AS 21, Consolidation (i.e. more than 50% of voting rights or board control), it is treated as a subsidiary and not joint venture. Proportionate consolidation is used.

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	highly relevant in consolidation decisions. If the joint venture is not a VIE, venturers apply the equity method to recognise the investment in a jointly controlled entity. Proportionate consolidation is generally not permitted except for unincorporated entities operating in certain industries. is necessary.	
J.2.3. CONTRIBUTIONS TO A JOINTLY CONTROLLED ENTITY		
A venturer that contributes non- monetary assets, such as shares, PPE or intangibles, to a jointly controlled entity in exchange for an equity interest in the jointly controlled entity recognises in its consolidated income statement the portion of the gain or loss attributable to the equity interests of the other venturers, except when: a) The significant risks and rewards of the contributed assets have not been transferred to the jointly controlled entity b) The gain or loss on the assets contributed can not be measured reliably c) The contribution transaction lacks commercial substance	As a general rule, a venturer records its contributions to a joint venture at cost (i.e., the amount of cash contributed and the carrying value of other non-monetary assets contributed). When a venturer contributes appreciated non-cash assets and others have invested cash or other hard assets, it may be appropriate to recognise a gain for a portion of that appreciation. Practice and existing literature vary in this area. As a result, the specific facts and recognition and require careful analysis.	Similar to **IFRS**. However, the exceptions in **IFRS** have not been expressly clarified in the standard.
J.3. COMMON ISSUES (SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES		
J.3.1. SCOPE EXCEPTION: FOR SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES		
Investment in subsidiary, associate or joint venture that meets, on acquisition, the criteria to be classified as held for sale in accordance with IFRS 5, applies the presentation for assets held for sale (i.e., separate presentation of assets and liabilities to be disposed), rather than normal presentation (consolidation, equity method or proportionate consolidation).	Investment in subsidiary, associate or joint venture held-for-sale may not be precluded from consolidation or equity method of accounting. Unconsolidated subsidiaries are generally accounted for using the equity method unless the presumption of significant influence can be overcome.	Investment in subsidiary, associate or joint venture is exempted from consolidation, equity method or proportionate consolidation when: a) Control, significant influence or joint control is intended to be temporary because the investment is acquired and held exclusively with a view of subsequent disposal in the near future (not more than 12 months). b) It operates under severe long term restrictions which significantly impair its

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		ability to transfer funds to the parent.
A subsidiary is not excluded from consolidation simply because the investor is a venture capital organisation, mutual fund, unit trust or similar entity. Investment in an associate or joint venture held by venture capital organisations, mutual funds, unit trusts and similar entities including investments-linked insurance funds can be carried at fair value through profit and loss.	Industry-specific guidance precludes consolidation of controlled entities and equity method investees by certain types of organisations, such as registered investment companies or broker/dealers. An entity can elect to adopt the fair value option for any of its equity method investments. If elected, equity method investments are presented at fair value at each reporting period, with changes in fair value being reflected in the income statement.	A subsidiary is not excluded from consolidation simply because the investor is a venture capital organisation, mutual fund, unit trust or similar entity. Investment in an associate or joint venture cannot be carried at fair value. However, there is a limited revision to AS 23 and AS 27 with the introduction of standards on financial instruments, select entities will be allowed to carry investments in associate and joint ventures at fair value - similar to **IFRS**.
J.3.2. UNIFORM ACCOUNTING POLICIES		
Consolidated financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances for all of the entities in a group.	Consolidated financial statements are prepared using uniform accounting policies for all of the entities in a group except when a subsidiary has specialized industry accounting principles. Retention of a specialised accounting policy in consolidation is permitted in such cases. Further equity method investee's accounting policies may not conform to the investor's accounting policies, if the investee follows an acceptable alternative **US GAAP** treatment.	Similar to **IFRS**. However, if it is not practical to use uniform accounting policies that fact should be disclosed together with the proportions of the items to which different accounting policies have been applied.
J.3.3. REPORTING PERIODS		
The consolidated financial statements of the parent, subsidiary, associate and joint venture are usually drawn up at the same reporting date. However, subsidiary/investee accounts of a different reporting date can be used, provided the difference between the reporting dates is no more than three months. Adjustments are made for significant transactions that occur in the gap period.	Similar to **IFRS,** except that (1) adjustments are generally not made but are disclosed for significant events and transactions that occur in the gap period and (2) there is no specific gap period in reporting dates. suggested by the standard for equity method investee. However, in practice, it would be similar to consolidation of subsidiary requirements (no more than three months).	Similar to **IFRS**, except that there is no specific gap period in reporting dates suggested by the standard for associates and joint ventures. However, in practice, it would be similar to consolidation of subsidiary requirements (no more than six months).
J.3.4. IMPAIRMENT		
The entire carrying amount of the investment is tested by	Equity investments are considered impaired if the	Impairment test on investment is applied for decline in value

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comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount.	decline in value is considered to be other-than- temporary.	considered other-than-temporary.
J.4. BUSINESS COMBINATIONS		
All business combinations are treated as acquisitions. Assets and liabilities acquired are measured at their fair values. Pooling of interest method is prohibited. Goodwill is capitalised but not amortised. It is tested for impairment at least annually at the cash-generating unit level. After re-assessment of respective fair values of net assets acquired, any excess of acquirer's interest in the net fair values of acquirer's identifiable assets is recognised immediately in the income statement.	Similar to IFRS, except specific rules for acquired in-process research and development (generally expensed) and contingent liabilities. Similar to IFRS; however, impairment measurement model is different. In respect of any excess of acquirer's interest in the net fair values of acquirer's identifiable assets, first reduce proportionately the fair values assigned to non-current assets (with certain exceptions) and any remaining excess thereafter is recognised in the income statement immediately as an extraordinary gain.	On consolidation, for an entity acquired and held as an investment, treated as acquisition. On amalgamation of an entity, either uniting of interests or acquisition. On a business acquisition (i.e., assets and liabilities only) treated as acquisition. On consolidation, the assets and liabilities are incorporated at their existing carrying amounts. On amalgamation, they may be incorporated at their existing carrying amounts or, alternatively, the consideration is allocated to individual identifiable assets and liabilities on the basis of their fair values. On a business acquisition, they may be incorporated at their fair values or value of surrendered assets. Any excess of acquirer's interest in the net fair values of acquirer's identifiable assets is recognised as capital reserve, which is neither amortised nor available for distribution to shareholders.
POOLING (UNITING) OF INTERESTS METHOD		
Prohibits the use of this method of accounting if the transaction meets the definition of a business combination and the combination is within the scope of the relevant standard.	Similar to **IFRS**.	Permits use of this method only on amalgamation when all the specified conditions are met.
K. OTHER ACCOUNTING AND REPORTING TOPICS		
K.1. FOREIGN CURRENCY TRANSACTIONS/TRANSLATION		
Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Foreign currency assets and liabilities are restated at the year-end exchange rates.	Similar to IFRS	Similar to IFRS, except at the option of the enterprise, exchange difference arising on repayment/restatement of liabilities incurred on or after 7th December 2006 but before 31st March 2011 for the purposes of acquiring fixed assets Could be adjusted in the

IFRS	US GAAP	INDIAN GAAP
		carrying amount of the respecive fixed assets and The amounts so adjusted are depreciated over the remaining useful life of the respective fixed assets. Further, the said notification also allows deferment other long term receivebles/ payables (vide notification dated 31.03.2009 issued by Ministry of Corporate Affairs).
K.2. FUNCTIONAL CURRENCY		
Currency of primary economic environment in which entity operates.	Similar to IFRS.	Does not define functional currency. Assumes an entity normally uses the currency of the country in which it is domiciled in presenting its financial statements.
If indicators are mixed and functional currency is not obvious, use judgment to determine the functional currency that most faithfully represents the economic results of the entity's operations by focusing on the currency of the economy that determines the pricing of transactions (not the currency in which transactions are denominated).	Similar to IFRS; however, no specific hierarchy of factors to consider. Generally the currency in which the majority of revenues and expenses are settled.	Does not require determination of functional currency. Assumes an entity normally uses the currency of the country in which it is domiciled in presenting its financial statements. If a different currency is used, requires disclosure of the reason for using a different currency.
K.3. EARNINGS PER SHARE		
K.3.1. DILUTED EARNINGS-PER-SHARE CALCULATION		
The guidance states that dilutive potential common shares shall be determined independently for each period presented, not a weighted average of the dilutive potential common shares included in each interim computation.	The treasury stock method for year- to-date diluted EPS requires that the number of incremental shares included in the denominator be determined by computing a year-to- date weighted average number of incremental shares by using the incremental shares from each quarterly diluted EPS computation.	In absence of a separate guidance, dilutive potential common shares is determined independently for each period presented, including year-to-date computation. However, a simple average of last six months weekly closing prices from the balance sheet date is used in computing the fair value (i.e., average price of equity shares during the period).
The contracts that can be settled in either common shares or cash at the election of the entity or the holder are always presumed to be settled in	The guidance contains the presumption that contracts that may be settled in common shares or in cash at the election of the entity will be settled in common shares and the resulting	The number of equity shares which would be issued on the conversion of dilutive potential equity shares is determined from the terms of the potential equity shares. The computation assumes the most advantageous

IFRS	US GAAP	INDIAN GAAP
common shares and included in diluted EPS; that presumption may not be rebutted.	potential common shares be included in diluted EPS. However, that presumption may be overcome if past experience or a stated policy provides a reasonable basis to believe that the contract will be paid in cash. In those cases where the holder controls the means of settlement, the more dilutive of the methods (cash versus shares) should be used to calculate potential common shares.	conversion rate or exercise price from the standpoint of the holder of the potential equity shares.
The potential common shares arising from contingently convertible debt securities would be included in the dilutive EPS computation only if the contingency price was met as of the reporting price was met as of the reporting date. Balance sheet date is regarded as end of contingency period for contingently issuable shares. Contractual arrangement needs to be assessed to determined appropriate treatment of share application money.	Contingently convertible debt securities with a market price trigger (e.g., debt instruments that contain a conversion feature that is triggered upon an entity's stock price reaching a predetermined price) should always a predetermined price) should always be included in diluted EPS computations unless anti-dilutive regardless of whether the market price trigger has been met. That is, the contingency feature should be ignored and the instrument treated as a regular convertible instrument. Similar to **IFRS**.	Similar to **IFRS**, however limited guidance under **Indian GAAP.** Share application money pending allotment or any advance share application money as at the balance sheet date, which is not statutorily required to be kept separately and is being utilised in the business of the enterprise, is treated in the same manner as dilutive potential equity shares.
K.3.2. DISCLOSURES		
The basic and diluted amounts per share are disclosed on the face of the income statement at the following levels: a) EPS from net income b) EPS from continuing operation c) EPS from discontinued operations d) EPS due to change in accounting policies (only disclosed in notes, to the extent practicable) Both basic and diluted EPS is disclosed for each class of ordinary shares that has a different right to share in profit	Similar to **IFRS**. However, additionally EPS on extraordinary item is required to be disclosed on the face of the income statement or in the notes. Although the presentation of EPS is common stock, it does not prohibit disclosure of EPS for preferred stock or other participating securities.	Similar to **US GAAP**, except that EPS from discontinued operations and changes in accounting policies is not required to be disclosed. Both basic and diluted EPS is disclosed for each class of ordinary shares that has a different right to share in profit for the period.

IFRS	US GAAP	INDIAN GAAP
for the period. In limited circumstances, EPS may be disclosed for preferred stock or other participating securities.		
K.3. RELATED-PARTY DISCLOSURES		
There is no specific requirement in IFRS to disclose the name of the related party (other than the ultimate parent entity). There is a requirement to disclose the amounts involved in a transaction, as well as the balances for each major category of related parties. However, these disclosures could be required in order to present meaningfully the "elements" of the transaction, which is a disclosure requirement. Wide scope of Parties covered under 'related parties disclosure' as compare to IGAAP.	The nature and extent of any transactions with all related parties and the nature of the relationship must be disclosed, together with the amounts involved. Unlike IFRS, all material related party transactions (other than compensation arrangements, expense allowances and similar items) must be disclosed in the separate financial statements of wholly-owned subsidiaries, unless these are presented in the same financial report that includes the parent's consolidated financial statements (including those subsidiaries). Wide scope of Parties covered under 'related parties disclosure' as compare to IGAAP.	The scope of parties covered under the definition of related party could be less than under IFRS or U.S. GAAP. Unlike IFRS, the name of the related party is required to be disclosed.
K.4. SEGMENT REPORTING (OPERATING SEGMENT)		
Report primary and secondary (business and geographic) segments based on risks and returns and internal reporting structure. Use group accounting policies or entity accounting policy.	Report based on operating segments and the way the chief operating decision-maker evaluates financial information for purposes of allocating resources and assessing performance. Use internal financial reporting policies (even if accounting policies differ from group accounting policy).	Similar to IFRS.
K.5. POST-BALANCE-SHEET EVENTS		
K.5.1. ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE		
Adjusting events that occurred after the balance sheet date are events that provide additional evidence of conditions that existed at the balance sheet date and that materially affect the amounts included. The amounts recognised in the financial statements are adjusted to reflect adjusting events after the balance sheet date.	Similar to **IFRS,** referred to as 'Type 1' events.	Similar to **IFRS**.
K.5.2. NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE		
Non-adjusting events that occur after the balance sheet date are	Similar to **IFRS,** referred to as 'Type 2' events.	Non-adjusting events are not required to be disclosed in

IFRS	US GAAP	INDIAN GAAP
defined as events that are indicative of conditions that arose after the balance sheet date. Where material, the nature and estimated financial effects of such events are disclosed to prevent the financial statements from being misleading.		financial statements but are disclosed in report of approving authority e.g. Director's Report.
K.5.3 DECLARATION OF A DIVIDEND RELATING TO THE FINANCIAL YEAR JUST ENDED		
This is a non-adjusting event. Dividend declared after the balance sheet date but before the financial statements are authorised for issue is not recognised as liability at the balance sheet date.	The declaration of a cash dividend is a non-adjusting event, but a stock dividend is an adjusting event.	Dividend proposed relating to the financial year just ended is adjusted in the financial statements even though it is subject to shareholders approval at the balance sheet date.
K.6. INTERIM FINANCIAL REPORTING		
K.6.1. STOCK EXCHANGE REQUIREMENTS		
IFRS does not require public entities to produce interim statements but encourages interim reporting.	Similar to **IFRS**, the FASB does not mandate interim statements. However, if required by the SEC, domestic US SEC registrants should follow APB 28 and comply with the specific financial reporting requirements in Regulation S-X applicable to quarterly reporting.	Similar to **IFRS**, the standard does not mandate interim financial reporting. However, if an entity is required or elects to present interim financial report, it needs to comply with AS 25. Pursuant to the listing agreement, all listed companies in India are required to furnish interim financial results (either consolidated or standalone) on a quarterly basis in a format prescribed in the listing agreement.
K.6.2. DISCLOSURE OF COMPLIANCE		
IAS 34 provides that an entity should disclose the fact that its Interim Financial Report complies with IAS 34, if it does so. The standard further states that the interim financial report should comply with all the requirements of **IFRS** so as to be described as complying with **IFRS**.	Requires compliance with all the requirements of **US GAAP** read with APB 28.	Requires compliance with all the requirements of **Indian GAAP** as mentioned in AS 25.

JINDAL POWER LIMITED

ANNEXURE-A

SUMMARY STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES - RESTATED

(Rs. In Million)

		As at June 30th, 2009	As at March 31st, 2009
A	**Fixed Assets :**		
	Gross Block	41,364.23	41,843.82
	Less : Depreciation	7,530.82	6,233.61
	Net Block	33,833.41	35,610.21
	Capital Work In Progress (including Capital Advances)	11,738.19	8,119.22
	Total Fixed Assets	**45,571.60**	**43,729.43**
B	**Investments**	**12.54**	**1,832.84**
C	**Current Assets, Loans And Advances**		
	Inventories	350.32	272.73
	Sundry Debtors	2,749.64	2,317.81
	Cash And Bank Balances	122.50	3,387.42
	Loans And Advances	15,205.30	10,005.47
	Total Current Assets, Loans And Advances	**18,427.76**	**15,983.43**
D	**Total Assets (A+B+C)**	**64,011.90**	**61,545.70**
E	**Minority Interest**	**21.28**	**0.53**
F	**Liabilities And Provisions**		
	Secured Loans	23,582.03	31,327.65
	Deferred Tax Liabilities	1,217.73	1,172.68
	Current Liabilities And Provisions	8,081.40	4,948.09
	Total Liabilities And Provisions	**32,881.16**	**37,448.42**
G	**Total Liabilities (E+F)**	**32,902.44**	**37,448.95**
H	**Net Worth (D-G)**	**31,109.46**	**24,096.75**

		As at June 30th, 2009	As at March 31st, 2009
	Represented By :-		
	1) Equity Share Capital	8,676.99	8,677.00
	2) Reserve & Surplus	22,434.24	15,421.00
	Less: Miscellaneous Expenditure (to the extent not written off or adjusted	1.77	1.25
	Reserve & Surplus (net of miscellaneous expenditure)	22,432.47	15,419.75
	Net Worth	**31,109.46**	**24,096.75**

Notes :-

The Above information should be read with significant accounting policies appearing in Annexure E, together with notes to the Statement of Profit & Loss and Assets and Liabilities, as restated, appearing in Annexure F.

JINDAL POWER LIMITED

ANNEXURE-B

SUMMARY STATEMENT OF CONSOLIDATED PROFIT & LOSS – RESTATED

(Rs. In Million)

	For the Three Months Ended June 30th, 2009	**For the Year Ended March 31st, 2009**
Income		
Sale of Power	12,591.31	32,584.78
Less : Electricity Duty	-	10.04
Net Sales	12,591.31	32,574.74
Other Income	207.98	584.02
Total Income	**12,799.29**	**33,158.76**
Expenditure		
Cost of Fuel	1,076.36	2,500.35
Staff Cost	117.56	264.61
Other Manufacturing Expenses	150.93	430.53
Selling And Distribution Expenses	347.70	1,229.69
Administration And Other Expenses	161.70	1,075.67
Interest & Bank Charges	749.79	3,131.40
Total Expenditure	**2,604.04**	**8,632.25**
Profit Before Depreciation & Tax	**10,195.25**	**24,526.51**
Depreciation	1,182.74	5,307.26
Profit Before Tax	**9,012.51**	**19,219.25**
Provision For Current Tax	1,531.79	2,206.65
Deferred Tax / (Deferred Tax Credit)	45.05	1,172.68
Provision For Wealth Tax	0.43	0.82
Provision For Fringe Benefit Tax	-	5.00

	For the Three Months Ended June 30th, 2009	For the Year Ended March 31st, 2009
Profit After Tax	**7,435.24**	**15,834.10**
Minority Interest	0.19	0.01
Profit After Tax and Minority Interest	**7,435.05**	**15,834.09**
Adjustment for Change in Accounting Policy		
- Depreciation	-	546.79
- Mine Development Expenses	-	565.15
- Exchange Fluctuation	-	(16.12)
Other Adjustments (Refer note no. 5(a) of Annexure-F)	(491.26)	491.26
Total Adjustments	**(491.26)**	**1,587.08**
Tax Impact on above adjustments	83.49	(574.06)
Total Adjustments After Tax Impact	**(407.77)**	**1,013.02**
Profit After Tax and Minority Interest, As Restated	**7,027.28**	**16,847.11**

Notes :-

The Above information should be read with significant accounting policies appearing in Annexure E, together with notes to the Statement of Profit & Loss and Assets and Liabilities, as restated, appearing in Annexure F.

JINDAL POWER LIMITED

ANNEXURE – C

SUMMARY STATEMENT OF CONSOLIDATED CASH FLOW - RESTATED

(Rs. In Million)

		For the Three Months Ended June 30th, 2009	For the Year Ended March 31st, 2009
A	**CASH INFLOW(OUTFLOW) FROM OPERATING ACTIVITIES**		
	NET PROFIT BEFORE TAX	8,521.25	20,806.33
	ADJUSTMENT FOR:-		
	Depreciation	1,297.47	5,360.98
	Loss on sale of Fixed Assets (net)	0.05	0.53
	Dividend received on Investment	-	(0.72)
	Profit on Sale of Current Investments (Net)	(54.88)	-
	Exchange Fluctuation (Net)	(50.52)	16.12
	Interest Received	(142.73)	(435.57)
	Interest Paid	745.22	3,113.91
	Operating Profit before working capital changes	**10,315.86**	**28,861.58**
	Adjustment for changes in:-		
	Inventories	(77.59)	(127.47)
	Loans & Advances	(261.72)	(252.79)
	Sundry Debtors	(431.83)	(1,545.81)
	Other Current Assets	-	1.00
	Current Liabilities & Provisions	1,684.76	(1,818.20)
	Cash Generated from Operations	**11,229.48**	**25,118.31**
	Income Tax Paid	698.98	2,058.62
	Net Cash Flow From Operating Activities	**10,530.50**	**23,059.69**
B	**CASH INFLOW / (OUTFLOW) FROM INVESTMENT ACTIVITIES**		
	Sale Proceeds of Fixed Assets	0.14	0.77
	Purchases of Fixed Assets	(483.42)	(22,353.79)
	Loans & Advances	(3,070.10)	(7,607.21)
	Miscellaneous Expenditure	(0.57)	

			(1.20)
	(Increase)/Decrease in Investment	1,875.20	(862.80)
	Additions to Capital work in progress	(3,644.17)	13,073.60
	Interest Received	142.73	435.57
	Dividend received on Investment	-	0.72
	Net Cash Flow From Investing Activities	**(5,180.19)**	**(17,314.34)**
C	**CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES**		
	Proceeds from Borrowings	-	1,289.00
	Interest Paid	(745.22)	(3,113.91)
	Minority Interest	20.74	0.53
	Repayment of Borrowings	(7,745.62)	(810.65)
	Net cash inflow/(outflow) from Financing Activities	**(8,470.10)**	**(2,635.03)**
	NET CHANGES IN CASH & CASH EQUIVALENTS(A+B+C)	**(3,119.79)**	**3,110.32**
	Cash & Cash equivalents (Opening Balance)	3,387.42	277.10
	Less: On account of disposal of investments in subsidiaries	145.13	-
	Cash & Cash equivalents (Closing Balance)	**122.50**	**3,387.42**
Notes:			
1	Cash and cash Equivalents Include:		
	- Cash, Cheques in hand and Remittances in transit	0.93	666.27
	- Balances with Schedule Banks	121.57	2,721.15
	Total	**122.50**	**3,387.42**
2	Acquisition and disposal of subsidiaries during the three months ended 30.06.2009 are cash neutral.		
3	The Above information should be read with significant accounting policies appearing in Annexure E, together with notes to the Statement of Profit & Loss and Assets and Liabilities, as restated, appearing in Annexure F.		

JINDAL POWER LIMITED

ANNEXURE D-I

Details of Fixed Assets

(Rs in Million)

	As at 30.06.2009	As at 31.03.2009
Freehold Land	129.39	126.45
Leasehold Land		
Gross Block	505.56	505.56
Less: Accumulated Depreciation	26.24	24.25
Net Block	**479.32**	**481.31**
Buildings		
Gross Block	5,896.40	5,809.66
Less: Accumulated Depreciation	754.47	633.38
Net Block	**5,141.93**	**5,176.28**
Plant & Machinery		
Gross Block	34,619.76	34,707.12
Less: Accumulated Depreciation	6,662.56	5,497.61
Net Block	**27,957.20**	**29,209.51**
Office Equipments		
Gross Block	72.89	66.47
Less: Accumulated Depreciation	33.20	30.85
Net Block	**39.69**	**35.62**
Furniture & Fixtures		
Gross Block	67.38	65.36
Less: Accumulated Depreciation	29.35	26.89
Net Block	**38.03**	**38.47**
Vehicles		
Gross Block	67.78	65.82
Less: Accumulated Depreciation	19.93	16.41
Net Block	**47.85**	**49.41**
Intangible Assets: Software		
Gross Block	5.07	4.22
Less: Accumulated Depreciation	5.07	4.22

	As at 30.06.2009	As at 31.03.2009
Net Block	-	-
Rights in Oil Blocks	-	493.16
TOTAL		
Gross Block	41,364.23	41,843.82
Less: Accumulated Depreciation	7,530.82	6,233.61
Net Block	**33,833.41**	**35,610.21**

JINDAL POWER LIMITED

ANNEXURE D-II

Details of Investments are as follows:-

(Rs in Million)

	As at 30.06.2009	**As at 31.03.2009**
Investment in Equity Shares of Body Corporates		
- India Energy Exchange Limited	12.50	12.50
Mutual Funds	0.04	1,820.34
TOTAL	**12.54**	**1,832.84**

Note: The Company does not have any quoted investment as on 30th June, 2009 and 31st March 2009.

JINDAL POWER LIMITED

ANNEXURE D-III

Details of Share Capital

(Rs in Million)

	As at 30.06.2009	**As at 31.03.2009**
Equity Share Capital (Face Value: Rs. 10/- each)	8,676.99	8,677.00
TOTAL	**8,676.99**	**8,677.00**

JINDAL POWER LIMITED

ANNEXURE D-IV

Details of Reserve & Surplus

(Rs in Million)

	As at 30.06.2009	As at 31.03.2009
Surplus in Profit & Loss Account		
Opening Balance	15,404.88	(427.06)
Addition during the year	7,027.28	15,831.94
Deduction during the year	1.50	-
Closing Balance	**22,433.66**	**15,404.88**
Foreign Exchange Translation Reserve		
Opening Balance	16.12	-
Addition during the year	(50.52)	16.12
Deduction during the year	34.40	-
Closing Balance	**-**	**16.12**
Capital Reserve (On Consolidation)		
Opening Balance	**-**	**-**
Addition during the year	0.58	**-**
Deduction during the year	**-**	**-**
Closing Balance	**0.58**	**-**
TOTAL	**22,434.24**	**15,421.00**

JINDAL POWER LIMITED

ANNEXURE D-V

Details of Secured Loans are as follows:

(Rs in Million)

	As at 30.06.2009	**As at 31.03.2009**
Term Loans from:		
Financial Institutions	-	4,987.50
Banks	23,582.03	26,340.15
	23,582.03	**31,327.65**

Note: The details of principle terms and conditions of secured loans outstanding as at June 30, 2009 are disclosed in Annexure 11.

JINDAL POWER LIMITED

ANNEXURE D-VI

Details of Deferred Tax Liability/(Assets)-Net

(Rs in Million)

	As at 30.06.2009	**As at 31.03.2009**
Deferred Tax Liability		
Related to Fixed Assets	1,217.73	1,172.68
Deferred Tax Liability/(Assets)-Net	1,217.73	1,172.68

Note: *The Company being a company in power sector is eligible to claim deduction under Section 80 IA of the Income Tax Act 1961 with respect to 100% of the profits and gains derived from this business for ten years. In accordance with Accounting Standard Interpretation (ASI)-3 Issued by the Institute of Chartered Accountants of India, the deferred tax in respect of timing difference which is reversible during the tax holiday period have not been recognized based on the management assessment on future taxable income.*

JINDAL POWER LIMITED

ANNEXURE D-VII

Details of Sundry Debtors are as follows :-

(Rs in Million)

	As at 30.06.2009	**As at 31.03.2009**
Debtors (unsecured, considered goods) :		
(I) Debts over six months	3.00	3.00
(II) Other Debts	2,746.64	2,314.81
Total Debtors	**2,749.64**	**2,317.81**
Amount Taken from Promoters/Promoter Group, Group Companies, Subsidiaries, associate and directors included in Sundry Debtors above	449.20	324.50

JINDAL POWER LIMITED

ANNEXURE D - VIII

Details of Loans and Advances are as follows:

(Rs in Million)

	As at 30.06.2009	**As at 31.03.2009**
Advances recoverable in cash or in kind or value to be received*	11,491.41	7,780.15
Advance Against Share Application Money, Pending Allotment**	755.00	-
Balances with Government Authorities and Others	-	15.01
Security Deposits	13.40	13.40
Accrued Interest	134.11	84.51
Income Tax Advance Payments (including TDS Receivables)	2,811.38	2,112.40
TOTAL LOANS & ADVANCES	**15,205.30**	**10,005.47**
Amount Taken from Promoters/Promoter Group, Group Companies, Subsidiaries, associate and directors included in Loans & Advances above	8,971.29	4,211.29

** includes amounting to Rs. 2525.00 million paid to Arunachal Pradesh Government on account of Upfront fees including Processing fees for two purposed project (to be implemented by two JV company) in the state of Arunachal Pradesh namely Etalin & Attunli project. On implementation of above stated project amount will be transferred / recovered.*

*** Subsequent to balance sheet date, Company has received Rs. 360.00 million against 'Advance Against Share Application Money'.This amount stands reduced to Rs.395.00 million.*

JINDAL POWER LIMITED

ANNEXURE D- IX

Details of Current Liabilities and Provisions:

(Rs in Million)

	As at 30.06.2009	**As at 31.03.2009**
A) Current Liabilities:		
Sundry Creditors	1,253.20	1,318.09
Duties & Taxes	36.63	26.49
Other Liabilities	1,951.57	224.30
Total (A)	**3,241.40**	**1,568.88**
B) Provisions:		
Provision for Employee Benefits	42.81	30.52
Provision for Taxation	3,780.74	2,332.24
Fringe Benefit Tax	1.28	1.28
Proposed Dividend	867.70	867.70
Provision for Corporate Dividend Tax	147.47	147.47
Total (B)	**4,840.00**	**3,379.21**
Total (A) + (B)	**8,081.40**	**4,948.09**

JINDAL POWER LIMITED

ANNEXURE D-X

Details of Inventories:

(Rs in Million)

	As at 30.06.2009	**As at 31.03.2009**
Coal & Fuel	70.73	117.58
Stores & Spares	279.59	155.15
TOTAL	**350.32**	**272.73**

JINDAL POWER LIMITED

ANNEXURE D-XI

Details of Cash & Bank Balances:

(Rs in Million)

	As at 30.06.2009	**As at 31.03.2009**
Cash in Hand	0.93	1.57
Cheques in Hand	-	664.70
Balances with Scheduled Banks		
- In current account	121.52	201.10
- In Fixed Deposit account	0.05	2,520.05
TOTAL	**122.50**	**3,387.42**

JINDAL POWER LIMITED

ANNEXURE D-XII

Details of Staff Cost

(Rs in Million)

	For the Three Months Ended 30.06.2009	**For the Year Ended 31.03.2009**
Salary, Wages, Bonus and Other Benefits	108.18	231.91
Contribution to Provident and Other Funds	3.89	8.89
Workman & Staff Welfare Expenses	5.49	23.81
Total	**117.56**	**264.61**

JINDAL POWER LIMITED

ANNEXURE D-XIII

Details of Other Manufacturing Expenses

(Rs in Million)

	For the Three Months Ended 30.06.2009	**For the Year Ended 31.03.2009**
Stores and Spares consumed	8.27	49.51
Repairs to Buildings	28.76	129.03
Repairs to Plant and Machinery	97.87	166.00
Other Expenses	16.03	85.99
Total	**150.93**	**430.53**

JINDAL POWER LIMITED

ANNEXURE D-XIV

Details of Administrative and Other Expenses:

(Rs in Million)

	For the Three Months Ended 30.06.2009	**For the Year Ended 31.03.2009**
Travelling and Conveyance	6.01	15.69
Legal, Professional & Consultancy Fees	40.47	47.10
Repair and Maintenance - Others	38.96	119.94
Vehicles Running and Maintenance	3.66	16.88
Rates & Taxes	1.74	5.23
Insurance	13.49	16.94
Rent	-	9.50
Green Belt Development Expenses	4.19	73.90
Office Maintenance	3.88	39.39
Security Expenses	16.72	39.09
Loss on sale of Fixed Assets	0.05	0.53
Misc Expenditure Written off	-	565.15
Other Expenses	32.53	126.33
Total	**161.70**	**1,075.67**

JINDAL POWER LIMITED

ANNEXURE D - XV

Details of Interest & Bank Charges

(Rs in Million)

	For the Three Months Ended 30.06.2009	**For the Year Ended 31.03.2009**
Interest- Term Loans	745.22	3,113.80
Interest- Others	-	0.11
Bank Charges	4.57	17.49
Total	**749.79**	**3,131.40**

JINDAL POWER LIMITED

ANNEXURE- E

SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Accounting

(a) The Consolidated financial statements are prepared under the historical cost convention, on going concern concept and in accordance with the Companies Accounting Standards Rules, 2006. The company follow mercantile system of accounting and recognise Income and Expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realisation in respect of Incomes. Accounting Policies not specifically referred to otherwise, are consistent and in consonance with the generally accepted accounting principles.

(b) The Financial statement of the company and its subsidiary companies has been combined on a line by line basis by adding together the book value of like item of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra group transactions resulting in unrealised Profits or Loss as per Accounting Standard -21 'Consolidated Financial Statement' as prescribed in Companies Accounting Standards Rules 2006.

(c) The Consolidated Financial Statement comprises the financial statement of Jindal Power Limited and financial statements of its subsidiaries as on 31st March 2009. List of all subsidiaries including name, country of incorporation, proportion of ownership interest are as under:-

S.L. No.	Name of Subsidiaries	Status	Country of Incorporation	Proportion of ownership interest as on 30th June, 2009 (%)	Proportion of ownership interest as on 31st March, 2009 (%)	Date from which become subsidiary
1	Jindal Power Transmission Limited	Audited	India	98.80%	98.80%	23rd, June 2008
2	Jindal Hydro Power Limited	Audited	India	98.80%	98.80%	18th August 2008
3	Jindal Power Distribution Limited	Audited	India	98.80%	98.80%	27th August 2008
4	Jindal Petroleum Limited	Audited	India	#	99.92%	10th February 2009
5	Power Plant Engineers Limited	Audited	India	#	99.20%	13th January 2009
6	Jindal Petroleum (Mauritius) Limited*	Unaudited ^	Mauritius	#	99.92%	10th February 2009
7	Jindal Petroleum (Georgia) Limited@	Unaudited ^	Georgia	#	99.92%	10th February 2009

S.L. No.	Name of Subsidiaries	Status	Country of Incorporation	Proportion of ownership interest as on 30th June, 2009 (%)	Proportion of ownership interest as on 31st March, 2009 (%)	Date from which become subsidiary
8	Chhattisgarh Energy Trading Company Limited	Audited	India	79.34%	NA	2nd May 2009
9	Etalin Hydro Electric Power Company Limited $	Audited	India	74.00%	NA	16th May 2009
10	Attunli Hydro Electric Power Company Limited $	Audited	India	74.00%	NA	19th May 2009

*Subsidiary of Jindal Petroleum Limited
@ Subsidiary of Jindal Petroleum (Mauritius)
Limited
$ Being Special Purpose Vehicle (SPV); founded by the Company and Hydro Power Development Corporation of Arunachal Pradesh Limited.

Ceased to be Subsidiaries and financial statements of these subsidiary companies have been considered in the consolidated financial statements for the period that they were subsidiary companies during the period.

^ As per certificate of Ghanshyam Hurry FCCA (chartered certified accountant), these two companies are not required to get the annual accounts audited.

d) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements.

(e) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.

(f) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

(g) Investments other than in subsidiaries have been accounted as per Accounting Standard (AS) 13 "Accounting for Investments"

(h) The difference between the costs to the Holding Company of its investment in the subsidiary companies over the holding company's portion of equity of the subsidiary is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

i) Other significant accounting policies of the Company:

Revenue Recognition Policy

Revenue from sale or sale of power is accounted for on the basis of billing to consumers. Generally all consumers are billed on the basis of recording of consumption of energy by installed meters.

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any attributable cost of bringing the asset to working condition for its intended use i.e. cost of acquisition of assets and incidental expenditure incurred upto the date of installation/ use.
Certain Plant & Machineries have been considered as continuous plant on the basis of the technical assessment of the management.

Expenditure During Construction Period

Expenditure incurred during construction/ erection period are carried forward and allocated appropriately at the time of completion/installation of fixed assets.

Depreciation/Amortization & Impairment of Assets

Depreciation/Amortization

Depreciation on fixed assets is provided on Written Down Value method at the rates specified in Schedule XIV to the Companies Act, 1956.
Assets costing upto Rs.5000/- are depreciated fully in the year of purchase/ capitalization.
Leasehold Land is amortised over the period of lease.
Intangible assets are being amortised over the expected duration of benefits.

Impairment

The carrying amount of the assets is reviewed at each Balance Sheet date. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount.

Investment

Long term investments are carried at cost, less provision for diminution other than temporary, if any, in the value of such investments. Current investments are carried at lower of cost and fair value.

Inventories

Inventories are valued at lower of cost or net realisable value except waste / scrap which is valued at net realisable value. The cost is computed on weighted average basis.

Foreign Exchange Transactions

Transactions in foreign currency are recorded at the rates prevailing on the date of transaction. Outstanding foreign currency monetary assets and liabilities are translated at the exchange rate prevailing at year-end. Exchange difference is charged to the Profit & Loss account. Premium/ discount in respect of forward contract is recognised over the life of contract.

Employees Benefits

a) Contribution to Gratuity is made with Life Insurance Corporation of India and provision for Gratuity & Leave Encashment benefits are accounted on the basis of actuarial valuation.

b) Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognised as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and Loss in respect of post employment and other long term benefits are charged to the profit and loss account.

Miscellaneous Expenditure

The following expenditure shown under miscellaneous expenditure is amortised as follows:

a) Preliminary expenses are written off in the year of start of production.

b) Mines Development Expenditure (Comprises of Initial expenditure for coalmines and expenditure for removal of overburden) is charged to the profit & loss in the year in which the same is incurred

Taxes on Income

Current tax is the amount of tax payable on the taxable income for the current year as per the provisions of Income tax Act, 1961. Credit in respect of Minimum Alternate Tax paid is recognised only if there is convincing evidence of realisation of the same.

Deferred tax is recognised at rates in force/substantively enacted subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets on unabsorbed depreciation and carried forward losses are recognized only if there is virtual certainty that they will be reversed in subsequent years. Deferred tax assets on other reversible differences are recognized only if there is reasonable certainty that they will be realized.

Borrowing Costs

Interest and other costs in connection with the borrowing of the funds to the extent related/attributed to the acquisition / construction of qualifying fixed assets are capitalised upto the date when such assets are ready for its intended use and on account others are charged to the Profit & Loss account.

Contingent Liabilities

Contingent liabilities are not provided for in the books of accounts and are disclosed by way of notes.

2 Operations of foreign subsidiaries have been considered non integral by the management; Foreign exchange transactions are translated at the exchange rates prevailing at the date of transactions. Difference in exchange resulting from the settlement of such transactions is recognized in the balance sheet as Foreign Currency Translation Reserve. Monetary assets and liabilities denominated in foreign currencies are translated at year end exchange rates. Difference in exchange thereon is recognized in Balance Sheet as Foreign Currency Translation Reserve.

3 Preliminary Expenses:

Preliminary expenses will be written off in the year of start of commercial production.

JINDAL POWER LIMITED

ANNEXURE-F

Selected Notes to the Summary Statement of Assets and Liabilities - Restated and Summary Statement of Profit & Loss - Restated for three months ended 30th, 2009 and for the year ended 31st March, 2009.

1. Adjustments, as referred in note no. 2, 4 & 5, have been made in the financial information for the period/year ended June 30, 2009 and March 31, 2009 for the limited purpose of inclusion of financial information in the DRHP.

2. Changes in Accounting Policies:

(a). During the year ended on 31st March, 2009 the Company has changed its policy of depreciation from Straight Line Method to Written Down Value method resulting in additional charge to Profit & Loss Account amounting to Rs. 546.80 million, which has been adjusted in the Statement of Profit & Loss for the year ended on 31st March, 2008.

(b). During the year ended 31st March 2008, the company adopted the policy of amortising coal mine development expenses in the year in which it was incurred. Hence consolidated financial information for the year ended March 31, 2009 has been restated accordingly.

(c). During the period ended June 30th, 2009 the Company has changed its policy of considering the operation of foreign subsidiaries as integral to non integral. Therefore Exchange difference amounting to Rs. 16.12 million considered in Profit & Loss Account is credited to Foreign Exchange Translation reserve.

3. Income, Profit/(Loss) before tax, Profit/(Loss) after Tax and Net Worth of Subsidiaries as per their financial statements :-

A) INCOME: **(Rs. In Million)**

Subsidiary	30.06.2009	31.03.2009
Jindal Power Transmission Limited	*	*
Jindal Hydro Power Limited	*	*
Jindal Power Distribution Limited	*	*
Jindal Petroleum Limited	*	*
Jindal Petroleum (Mauritius) Limited @	0.02	-
Jindal Petroleum (Georgia) Limited @	0.01	-

Subsidiary	30.06.2009	31.03.2009
Power Plant Engineers Limited	*	*
Chhattisgarh Energy Trading Company Limited	1.25	NA
Attunli Hydro Electric Power Company Limited	*	NA
Etalin Hydro Electric Power Company Limited	*	NA
	1.28	**-**

B) PROFIT/(LOSS) BEFORE TAX:		(Rs. In Million)
Jindal Power Transmission Limited	*	*
Jindal Hydro Power Limited	*	*
Jindal Power Distribution Limited	*	*
Jindal Petroleum Limited	*	*
Jindal Petroleum (Mauritius) Limited @	(0.20)	(0.28)
Jindal Petroleum (Georgia) Limited @	(0.21)	(1.02)
Power Plant Engineers Limited	*	*
Chhattisgarh Energy Trading Company Limited	0.80	NA
Attunli Hydro Electric Power Company Limited	*	NA
Etalin Hydro Electric Power Company Limited	*	NA
	0.39	**(1.30)**

C)PROFIT/(LOSS) AFTER TAX		(Rs. In Million)
Jindal Power Transmission Limited	*	*
Jindal Hydro Power Limited	*	*
Jindal Power Distribution Limited	*	*
Jindal Petroleum Limited	*	*
Jindal Petroleum (Mauritius) Limited @	(0.20)	(0.28)
Jindal Petroleum (Georgia) Limited @	(0.21)	(1.02)
Power Plant Engineers Limited	*	*
Chhattisgarh Energy Trading Company Limited	0.55	NA
Attunli Hydro Electric Power Company Limited	*	NA
Etalin Hydro Electric Power Company Limited	*	NA
	0.14	**(1.30)**

Subsidiary	30.06.2009	31.03.2009
D) NET WORTH		(Rs. In Million)
Jindal Power Transmission Limited	0.04	0.05
Jindal Hydro Power Limited	0.04	0.04
Jindal Power Distribution Limited	0.31	0.31
Jindal Petroleum Limited	#	609.82
Jindal Petroleum (Mauritius) Limited @	#	611.12
Jindal Petroleum (Georgia) Limited @	#	510.43
Power Plant Engineers Limited	#	0.43
Chhattisgarh Energy Trading Company Limited	77.30	NA
Attunli Hydro Electric Power Company Limited	9.60	NA
Etalin Hydro Electric Power Company Limited	9.60	NA
	96.89	**1,732.20**

* As the subsidiaries have not commenced commercial operations, no profit & Loss Account have been prepared.
# Ceased to be Subsidiaries w.e.f. 30th June 2009
@ converted into INR from US$ by using exchange rate; 30.06.2009: US$ = INR 47.87; 31.03.2009 US$ = INR 50.95.

4. Reconciliation of Reserves & Surplus:

(Rs. In Million)

	As at 30.06.2009	As at 31.03.2009
Audited Reserve & Surplus	22,434.24	15,013.23
Adjustment (Refer Note No. 5(a) of Annexure-F)		491.26
Adjust: Tax impact on above adjustments	-	(83.49)
Adjusted Reserve & Surplus	**22,434.24**	**15,421.00**

5. Material Regroupings & Other Adjustments:

(a) Sales for the three months ended June 30, 2009 include Rs. 491.26 million receivable from a party pertaining to supply of power during the financial year 2008-2009, in terms of settlement, for the purpose of restatement related adjustments had been made in the financial information for the three months ended June 30, 2009 and March 31, 2009.

(b) Appropriate adjustments have been made in the Restated financial information, wherever required, by a reclassification of the corresponding items of assets, liabilities, incomes, expenses and cash flows, in order to bring them in line with the groupings as per the financials of the Company for the three months ended June 30, 2009.

6 (a). Estimated amount of contracts remaining to be executed on capital account and not provided for are as under:

(Rs. In Million)

	As at 30.06.2009	**As at 31.03.2009**
Outstanding contracts/Capital commitments (net of Capital Advances)	47,099.99	49,572.60

6. (b) Company has, for a project in the Kathmandu Valley, Nepal, committed to subscribe 48% equity capital in joint venture Company namely Synergy Infrastructure Pvt. Ltd. amounting to Rs. 17.73 million (Nepali Rupees 28.80 million, converted into INR by applying exchange rate NPR= INR 1.62).

7. Details of Contingent Liabilities :

(Rs. In Million)

	As at 30.06.2009	**As at 31.03.2009**
a) Exemption from Electricity Duty Pending for final approval	35.50	26.80
b) Guarantees/Letter of Comfort	-	560.50
TOTAL	35.50	587.30

8. (a) Capital Work In Progress includes Expenditure During Construction Period (Pending Allocation/Capitalization):

(Rs. In Million)

	As at 30.06.2009	**As at 31.03.2009**
Cost of Fuel	-	483.45
Salary, wages, bonus and other benefits	-	12.19
Contribution to Provident & other funds	-	0.52
Legal, Professional & Consultancy Fees	0.53	0.10
Printing and Stationary	0.01	-
Auditor's Remuneration	0.01	-
Rates & Taxes	8.12	6.50
Bank Charges	0.26	8.60
Interest on Term Loans	-	283.40
Rent	0.06	-
Other Expenses (Net of cost contributed adjusted)	0.33	0.10
Total (A)	**9.32**	**794.86**
Less:		
Sale of Power (Net of Electricity Duty)	-	1,189.76
Interest on Investments	-	20.44
Interest on Fixed Deposits	-	0.16
Other Income	-	14.11
Total (B)	**-**	**1,224.47**
Total (A) - (B) = (C)	**9.32**	**(429.61)**
Add: Expenditure incurred upto previous year	15.88	2,621.04
	25.20	2,191.43
Less: Allocated to Fixed Assets	-	2,175.55
	25.20	15.88
Add: Capital Work in Progress (Including Capital Advances)	11,738.19	8,103.34
Less: On account of disposal of investments in Subsidiaries	25.20	-
Balance Carried to the Balance Sheet	**11,738.19**	**8,119.22**

8(b). Preoperative expenses incurred till start of commercial production have been allocated on prorata basis to Plant & Machinery, Building and Capital Work in Progress.

8(c). Capital work in progress includes fencing of site area, roads, construction /capital material at site, temporary construction, site development expenses, plant & machinery in transit /under erection as capital advance against project. As part of the project is under implementation, the expenses incurred in relation thereof have been shown under note no. 7(a) above (Capital work in progress) as part of "Expenditure during Construction Period" (Pending Allocation /Capitalisation)

9. In the opinion of the Board, Current Assets, loan & Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and provision for all known liabilities been made.

10. In the opinion of management, there is no extraordinary items as defined in Accounting Standard-5 ' Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies', included in Summary Statement of Profit & Loss for the three months ended June 30, 2009 and for the year ended March 31, 2009.

11. The Company has only one business segment i.e. Power Generation & Sale and one geographical reportable segment i.e. operations within India, hence segment reporting as defined in Accounting Standard (AS-17) is not given.

12. Provision for Taxation represents Minimum Alternate Tax computed u/s 115JB of the Income Tax Act, 1961. As per the provision contained in section 80IA of the Income Tax Act, 1961 Company is eligible to claim tax benefits. Tax calculation has been made considering certain allowances/adjustments available, as assessed by the management.

13. Software (other than specified software) under Intangible Assets is depreciated fully in the year of purchase.

14. As required by section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 the following information is disclosed:

Particular	**30.06.2009**	**31.03.2009**
(i) Principal amount remaining unpaid at the end of the accounting year	-	-
(ii) Interest due on (i) above	-	-
(iii) The amount of interest paid by the buyer along with amount of payment made to the suppliers beyond the appointed date	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of financial year	-	-
(v)The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under this Act	-	-

Particular	30.06.2009	31.03.2009
(vi)The amount of further interest due and payable in succeeding year, until such interest is actually paid.	-	-

15. Company has entered into an agreement of assignment with Jindal Steel & Power Limited; on November 30, 2009

(a) To transfer the two memorandum of understanding in favour of the Company, entered into with the Government of Jharkhand with respect to two power plant i.e. (i) 3x500 MW power plant to be commissioned at Dumka, and (ii) 1000 MW power plant to be commissioned at Godda. Further Company has entered into separate coal supply agreement with Shresht Mining and Metals Private Limited and Jindal Steel & Power Limited. All the aforesaid agreements are subject to requisite approvals.

(b) To transfer the memorandum of understanding in favour of the Company, entered into with the Government of Orissa with respect to 1320 MW power plant to be commissioned at Angul, pending requisite approvals.

16. REALATED PARTIES:-

(As Identified and certified by the management)

(a) Holding Company: Jindal Steel & Power Limited (w.e.f. 09.06.2005)

(b) Associates: Nalwa Steel & Power Limited (ceased to associate w.e.f. 01.04.2009)

Jindal Steel & Power Limited (ceased to associate w.e.f. 08.06.2005)

(c) Key Management Personnel:

Dr. Rajendra Prasad Singh (Vice Chairman & Managing Director)(w.e.f. 23.02.2009)

Sh. Sushil Kumar Maroo (Deputy Managing Director)(w.e.f. 18.06.2008)

Sh. K.K. Sinha (Whole Time Director)(w.e.f. 16.11.2008)

Sh. Pradip Kumar Chakraborty (Whole Time Director)(w.e.f. 01.03.2009)

Sh. R.K. Saraf (President & Whole Time Director)(ceased to director w.e.f. 07.12.2008)

Sh. D.P. Sarawgi (Whole Time Director)(ceased to director w.e.f. 24.02.2009)

Sh. S.P. Anand (Director)

Sh. Anand Goel (Director)

Sh. Sukhbir Singh (Director)

17. Summary of Related Party Transactions

(As identified and certified by the management) **(Rs. in Millions)**

Sl.No.	Nature of Transactions	For the Three Months Ended 30.06.2009	For the Year Ended 31.03.2009
1	**Sale of Power**		
	Jindal Steel & Power Limited	-	596.73
2	**Sale-Scrap**		
	Jindal Steel & Power Limited	-	0.20
	Nalwa Steel and Power Limited	-	2.47
3	**Technical services**		
	Jindal Steel & Power Limited	-	110.30
4	**Purchases –Capital & Other Goods**		
	Jindal Steel & Power Limited	33.20	64.70

Sl.No.	Nature of Transactions	For the Three Months Ended 30.06.2009	For the Year Ended 31.03.2009
	Nalwa Steel and Power Limited	-	56.35
5	**Loans & Advances- Taken**		
	Jindal Steel & Power Limited	-	8.00
	Loans & Advances- Refunded		
	Jindal Steel & Power Limited	-	8.00
6	**Loans / Advances Given for Capital Purchases/Services & Others**		
	Jindal Steel & Power Limited	-	4,025.20
	Dr. Rajendra Prasad Singh	-	2.50
	Sh. K.K. Sinha	-	2.00
7	**Reimbursement of expenses incurred**		
	Jindal Steel & Power Limited	0.10	12.84
8	**Recovery of expenses incurred**		
	Jindal Steel & Power Limited	0.62	3.90
9	**Payment made for capital purchase/services**		
	Jindal Steel & Power Limited	6.60	65.80
	Nalwa Steel and Power Limited	-	61.60
10	**Inter Corporate Deposit Given**		
	Jindal Steel & Power Limited	4,185.00	17,155.79
11	**Inter Corporate deposit refunded**		
	Jindal Steel & Power Limited	1,340.00	16,759.50
12	**Interest Income**		
	Jindal Steel & Power Limited	21.51	284.80
13	**Remuneration**		
	Dr. Rajendra Prasad Singh	3.60	1.48
	Sh. Sushil Kumar Maroo	5.48	15.03
	Sh. K.K. Sinha	3.29	4.66
	Sh. Pradip Kumar Chakraborty	1.40	0.25
	Sh. R.K. Saraf	-	2.48
	Sh. D.P. Sarawgi	-	5.93
	Outstanding as at year end:		

Sl.No.	Nature of Transactions	For the Three Months Ended 30.06.2009	For the Year Ended 31.03.2009
14	**Creditors**		
	Jindal Steel & Power Limited	45.70	19.66
15	**Debtors**		
	Jindal Steel & Power Limited	449.20	324.10
	Nalwa Steel and Power Limited	-	0.40
16	**Loan & Advances Receivable**		
	Jindal Steel & Power Limited	4,025.21	4,025.21
	Dr. Rajendra Prasad Singh	1.98	2.29
	Sh. K.K. Sinha	1.33	1.58
17	**Inter Corporate Deposit**		
	Jindal Steel & Power Limited	3,241.29	396.29

JINDAL POWER LIMITED

ANNEXURE - G

Details of Other Income - Restated

(Rs. In Million)

	For the Three Months Ended June 30th, 2009	Year ended March 31st, 2009	Recurring/ Non-Recurring
Not Related to Business:			
Income From Investments			
Dividends	-	0.72	Non-Recurring
Interest (Including Tax deducted at source)	142.73	435.57	Recurring
Foreign Exchange Fluctuation (Net) [Read with note no. (2)(c) of Annexure - F]	-	16.12	Non-Recurring
Profit on sale of Investments (Net)	54.88	14.91	Non-Recurring
Related to Business:			
Technical Service Fee	-	110.35	Non-Recurring
Liabilities no longer required written back	-	0.06	Non-Recurring
Miscellaneous Income	10.37	6.29	Non-Recurring
TOTAL	**207.98**	**584.02**	
Profit Before Tax as per Annexure-B	9,012.51	19,219.25	
Total Other Income as % of PBT	2.31%	3.04%	

Notes: -

1. The classification of Income as recurring/non recurring in nature and related /not related to business activity is based on the current operations and business activity of the Company as determined by the management.

2. The above amounts are as per the Statement of Profit and Loss of the Company, as restated.

JINDAL POWER LIMITED

ANNEXURE: H

Statement of Capitalisation as at 30th June, 2009

(Rs. In Million)

Particulars	**Pre-issue as at 30th June, 2009**	**Adjusted for issue***
Borrowings:		
Short Term	-	
Long Term	23,582.03	
Total Debt	**23,582.03**	
Shareholders Funds		
Equity Share Capital	8,676.99	
Reserve & Surplus		
Surplus in Profit and Loss Account	22,433.66	
Capital Reserve	0.58	
Total Shareholders Funds	**31,111.23**	
Long Term Debt / Equity Ratio	**0.76**	

Note:
1. On July 29, 2009, Company has issued 3,15,00,000 equity shares of Rs. 10 each to a body corporate at par on preferential basis, pursuant to special resolution passed by members of the company in its extra ordinary general meeting held on June 30, 2009.

2.Company has issued 44,96,00,000 equity shares of Rs. 10 each as fully paid up bonus shares to the existing shareholders on record date i.e. November 27, 2009, pursuant to resolution passed by Board of Directors in its meeting held on October 30, 2009.

The Long Term Debt/Equity Ratio have been computed as under:

Long Term Debt/Equity Ratio: $\frac{\text{Long Term Debt}}{\text{Total Shareholders Funds}}$

Notes:
1. Short Term Debt is considered as debt having original repayment term not exceeding 12 months.
2. Long Term Debt is considered as debt other than short term debt, as defined above.
3. The figures disclosed above are based on the restated financial statements of the Company.

** The corresponding post issue figures are not determinable at this stage pending the completion of the Book Building Process and hence have not been furnished. The Post issue capitalisation shall be updated before filing the prospectus.*

JINDAL POWER LIMITED

ANNEXURE: I

Statement of Accounting Ratios of the Company

Rs. in Million (Except per share Data)

Particulars	For the Three Months Ended 30.06.2009	For the Year Ended 31.03.2009
1. Net Profit after Tax, as restated	7,027.28	16,847.11
Earning attributable to equity shareholders	7,027.28	16,847.11
2. Weighted average number of Equity Shares outstanding during the year / period	867,699,352	867,700,000
3. Number of Equity Shares outstanding at the end of the year / period	867,699,000	867,700,000
4. Net Worth	31,109.46	24,096.75
Accounting Ratios**		
Earning per Share: Basic/ Diluted (Rs.)*	8.10	19.42
Return on Net Worth (1) /(4)-%	22.59	69.91
Net Asset Value Per Share (Rs.)(4) / (3)	35.85	27.77

Note:

1) The Above information should be read with significant accounting policies appearing in Annexure E, together with notes to the Statement of Profit & Loss and Assets and Liabilities, as restated, appearing in Annexure F.

2) The ratios have been computed as under:

Basic / Diluted earning per share (Rs.) $\frac{\text{Earning attributable to equity shareholders}}{\text{Weighted average number of equity shareholders outstanding during the year/ period}}$

Return on Net Worth (%) $\frac{\text{Net Profit after Tax, as restated}}{\text{Net worth, as restated, at the end of the year/ period}}$

Net asset value per share (Rs.) $\frac{\text{Net worth, as restated, at the end of the year/ period}}{\text{Number of equity shares outstanding at the end of year/ period}}$

*** Accounting ratios are calculated before considering pre-IPO Bonus allotment of 44,96,00,000 equity shares of Rs. 10 each, fully paid up. If this pre-IPO Bonus allotment is considered , accounting ratios would be as under:*

Particulars	For the Three Months Ended June 30th, 2009	Year ended March 31st, 2009
Accounting Ratios		
Earning per Share: Basic/ Diluted (Rs.)*	5.33	12.79
Return on Net Worth -%	22.59	69.91
Net Asset Value Per Share (Rs.)	23.62	18.29

** Earning per Shares are calculated on Non-Annualised Basis as per Accounting Standard-20.*

JINDAL POWER LIMITED

Annexure-J

Statement of Tax Shelter of the Company

(Rs. In Million)

Srl. No.	Particulars	For the Three Months ended 30th June 2009	For the Year ended 31st March , 2009
A	**Net Profit/ (Loss) before current and Deferred Tax , as restated**	8,520.82	20,805.51
	Income tax rates applicable (including surcharge and education cess)	33.99%	33.99%
	Tax at applicable rate (A)	**2,896.23**	**7,071.79**
B	**Permanent differences**		
	Dividend Income	-	0.72
	Other Income	-	(430.59)
	Deduction u/s 80 IA	9,001.87	-
	Total	**9,001.87**	**(429.87)**
C	**Timing Differences**		
	Difference between tax Depreciation and Book depreciation (including loss on sale of depreciable assets)	(688.57)	14,691.09
	Disallowance u/s 43B	-	(24.30)
	Mine Development Expenses and Employee Benefits	-	565.15
	Set off of unabsorbed depreciation and Loss as per income tax act	-	5,145.06
	Total (C)	**(688.57)**	**20,377.00**
D	**Net adjustments (B+C)**	8,313.30	19,947.13
E	**Tax saving thereon**	2,825.69	6,780.03
F	**Taxation charge-current**	70.54	291.76
G	**Incremental tax due to Minimum Alternative Tax (MAT)**	1,461.25	1,914.89
H	**Total current tax (F+G)**	1,531.79	2,206.65

Notes:
The Above information should be read with significant accounting policies appearing in Annexure E, together with notes to the Summary Statement of Profit & Loss and Assets and Liabilities, as restated, appearing in Annexure F.

FINANCIAL INDEBTEDNESS

The total outstanding amount as on June 30, 2009 with respect to our financial borrowings was Rs. 23,582.03 million. Set forth below is a brief summary of our current significant outstanding financing arrangements.

A. Long Term Loans

Tamnar I Project
Phase I - 2X250 MW

S. No.	Lender(s)	Details	Nature of Facility	Amount outstanding as on June 30, 2009	Repayment Schedule#	Security
1.	Consortium of: (i) Punjab National Bank*; (ii) State Bank of India; (iii) Bank of Baroda; (iv) Indian Bank; (v) Indian Overseas Bank; (vi) The Jammu and Kashmir Bank; (vii) Oriental Bank of Commerce; (viii) State Bank of Hyderabad; (ix) State Bank of Patiala**; (x) Central Bank of India; and (xi) United Bank of India	(i) Common agreement and Loan agreement both dated September 2, 2004; and (ii) Addendum No. 1 to the Agreement as to Certain Terms, Representations, Warranties, Covenants and Other Provisions dated September 27, 2007.	Term loan of Rs. 14,991 million for Phase I.	Rs. 9,008.03 million	In 40 equal quarterly installments commencing from January 1, 2009 or the first repayment date falling 12 months after commercial operation date ("**CoD**") whichever is earlier.	(i) First mortgage and charge of all our Company's immovable properties, both present and future; (ii) First charge by way of hypothecation of all our Company's movable properties and all intangible receivables, book debts, all cash and revenue deposit in bank accounts including but not limited to trust and retention account, both present and future; (iii) Assignment by our Company of: a. all receivables, accounts and book debts, present and future; b. right, title, interest of our Company by way of first charge into and under all project documents and guarantees, other performance warranties, indemnities and securities that may be furnished in favour of our Company by various contractors under the project documents; c. right, title, interest of our Company by way of first charge in accounts and in, to and under all government approvals, insurance policies and uncalled capital of our

S. No.	Lender(s)	Details	Nature of Facility	Amount outstanding as on June 30, 2009	Repayment Schedule#	Security
						Company; (iv) First charge on all intangible assets of our Company; (v) pledge of 51% of the Equity Shares issued or to be issued by our Company during the currency of the loan. Additional collateral security of first charge by way of hypothecation of all JSPL's receivables realized by sale of energy purchased by JSPL from the Company and deposit in the escrow account/designated account, both present and future.

**Loan of Rs. 1,691 million from Punjab National Bank was prepaid in full and no dues certificate dated November 10, 2009 was received from Punjab National Bank.*
***Loan of Rs. 400 million from the State Bank of Patiala was prepaid in full and no dues certificate dated December 14, 2009 was received from the State Bank of Patiala.*
#Revised pursuant to letter dated September 1, 2004 from Power Finance Corporation Limited, letter dated February 1, 2005 from Indian Overseas Bank, letter dated June 2, 2005 from Bank of Baroda, letter dated June 6, 2005 from Oriental Bank of Commerce, letter dated June 22, 2005 from Central Bank of India, letter dated June 22, 2005 from State Bank of Patiala, letter dated June 23, 2005 from State Bank of Hyderabad, letter dated June 29, 2005 from United Bank of India, letter dated July 4, 2005 from the Jammu & Kashmir Bank Limited and letter dated August 19, 2005 from State Bank of India. In addition, letter dated August 14, 2009 from Indian Bank evidences the commencement of repayment from January 1, 2009.

Tamnar I Project
Phase II - 2X250 MW

S. No.	Lender(s)^	Details	Nature of Facility	Amount Outstanding as on June 30, 2009	Repayment Schedule	Security
1.	Consortium of: (i) Bank of Baroda; (ii) Canara Bank; (iii) Central Bank of India; (iv) Industrial Development Bank of India Limited^^; (v) Oriental Bank of	(i) Loan agreement and Agreement as to Certain Common Terms, Representations, Warranties, Covenants and Other Provisions both dated December 17, 2005; (ii) Addendum No. 1 to the Agreement for terms and conditions dated	Term loan of Rs. 14,994 million for Phase II.	Rs. 14,574 million	In 40 equal quarterly instalments commencing from October 1, 2009 or the first repayment date falling twelve months after CoD or 51 months from December 17, 2005, whichever is earlier in accordance with the amortization schedules.	(i)First mortgage and charge of all our Company's immovable properties, both present and future; (ii) First charge by way of hypothecation of all our Company's moveable properties, both present and future; (iii) First charge by way of assignment by our Company of: a. All of our

S. No.	Lender(s)^	Details	Nature of Facility	Amount Outstanding as on June 30, 2009	Repayment Schedule	Security
	Commerce; (vi) State Bank of Hyderabad; (vii) Sate Bank of India; (viii) State Bank of Patiala^^^; (ix) Union Bank of India; (x) Punjab National Bank^^^^; and (xii) Punjab & Sind Bank.	August 26, 2006; (iii) Addendum No. 1 to the loan agreement and Addendum No. 2 to the Agreement for terms and conditions dated August 14, 2007; (iv) Addendum No. 3 to Agreement as to Certain Common Terms, Representations, Warranties, Covenants and Other Provisions dated September 27, 2007.				Company's receivables, accounts and book debts, present and future, b. Right, title and interest of our Company by way of first charge into and under all project documents and the guarantees, other performance warranties, indemnities and securities that may be furnished in favour of our Company by various contractors under the project documents, and c. Right, title and interest of our Company in the trust and retention account agreements and other bank accounts of our Company pertaining to projects, if any. iv. First charge by way of assignment by our Company of the right, title and interest of our Company in, to and under all government approvals, insurance policies etc. v. First charge on all intangible assets of our Company; vi. Pledge of 51% of Equity Shares issued or to be issued by our Company during the currency of the loan.

^Pursuant to Addendum No. 1 to the loan agreement dated August 14, 2007, Power Finance Corporation was replaced and two new lenders, namely, Punjab National Bank and Punjab & Sind Bank were introduced and Industrial Development Bank of India, State Bank of Hyderabad and State Bank of Patiala increased their individual limits to Rs. 2,950 million, Rs. 950 million and Rs. 750 million, respectively.

^^Loan of Rs. 2,950 million from Industrial Development Bank of India Limited was prepaid in full and no dues certificate dated December 18, 2009 was received from Industrial Development Bank of India Limited.

^^^ Out of Rs. 750.00 million sanctioned by State Bank of Patiala, Rs. 236.00 million was prepaid and no dues certificate dated December14, 2009 was received from State Bank of Patiala.

^^^^Loan of Rs. 1,594 million from Punjab National Bank was prepaid in full and no dues certificate dated November 10, 2009 was received from Punjab National Bank.

Tamnar II Project
Phase I - 2X600 MW

Our Company has received sanctions of an amount aggregating to Rs. 58,500 million for financing the Tamnar II Phase I 2x600 MW Project from United Bank of India, Allahabad Bank, State Bank of Patiala, South Indian Bank, Punjab National Bank, Andhra Bank, Punjab & Sind Bank, Syndicate Bank, Union Bank of India, State Bank of Hyderabad, Dena Bank, Corporation Bank, Bank of Maharashtra, State Bank of Travancore, Indian Bank, State Bank of India and Oriental Bank of Commerce.

However, our Company is yet to enter into a consortium loan agreement with the specified lenders for such financial assistance.

For further details, see "***Objects of the Issue***" on page 33.

Tamnar II Project
Phase II - 2x600 MW

Our Company has received sanctions of an amount aggregating to Rs. 53,500 million for financing the Tamnar II Phase II 2x600 MW Project from Corporation Bank, Andhra Bank, Union Bank of India, United Bank of India, State Bank of Hyderabad, Infrastructure Development Finance Company Limited, Canara Bank, State Bank of India, UCO Bank, State Bank of Patiala, Life Insurance Corporation of India, State Bank of Travancore and IDBI Bank Limited.

However, our Company is yet to enter into a consortium loan agreement with the specified lenders for such financial assistance.

For further details, see "***Objects of the Issue***" on page 33.

B. Short Term/Non-Fund Based Limits

S. No.	Lender(s)	Details	Nature of Facility	Facility Availed (As on June 30, 2009)	Repayment Schedule
1.	ICICI Bank Limited	Sanction letter dated May 20, 2009	Letter of credit of Rs. 5,000 million with sub limits for financial bank guarantee and performance bank guarantee of Rs. 2,500 million each	Nil	Payable on demand
2.	State Bank of India	Sanction letter dated May 26, 2009	Non fund based loan of Rs. 4,000 million	Nil	Payable on demand

In addition to the above, our Company has been sanctioned/ has availed from banks the following short term/non fund based limits after June 30, 2009:

1. IDBI Bank Limited - Sanction letter dated September 23, 2009 for Rs. 200 million (cash credit) and Rs. 300 million (as bank guarantee/letter of credit limit).
2. Kotak Mahindra Bank Limited - Sanction letter dated November 13, 2009 for short term loan Rs. 500 million with overdraft Rs. 100 million and letters of credit (inland and foreign) of Rs. 250 million (within the limit Rs. 500 million) and bank guarantee/standby letter of credit Rs. 2,500 million.
3. IDBI Bank Limited - Sanction letter dated December 1, 2009 for short term loan of Rs. 3,000 million.

C. Commercial Paper

Set forth below are brief details of commercial paper issued by our Company after the June 30, 2009.

ISIN Code	Issuing and Paying Agent	Date of Issue	Amount	Rate of Interest (% p.a.)	Maturity Date
INE720G14015	HDFC Bank Limited	December 1, 2009	Rs. 200 million	3.85	March 1, 2010

The financing arrangements contain various restrictive covenants, including requirement to adhere to basic financial parameters as stipulated by the lenders and restriction on the declaration of dividend until fulfillment of certain stipulated conditions. In addition, the lenders also have the right to appoint or remove nominee director(s). Under the terms of these financing arrangements, our Company has undertaken not to do any of the following without the prior consent of the lenders, as may be applicable, including:

- Acquire all or part of the assets of any other person or any class of shares or debentures or partnership interest or similar interest of any person.
- Take or agree to take any action of merger, consolidation, re-organization or amalgamation or for sale, or lease, transfer or otherwise disposal of any assets.
- Make any investments by way of deposits, bonds, share capital or in any other form other than investments permitted in the finance documents.
- Create any security interest on or in any of the secured property or any of its other property or assets.
- Engage in any business other than the projects and in trading in power in India, create any subsidiaries, change its name, or change the location of its offices.
- Cancel, terminate or amend any project documents.
- Materially alter the scope of the projects.
- Amend, modify or supplement the Memorandum and Articles in any material manner.
- Undertake any new project or diversification, modernization or expansion of projects.
- Revalue its assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of the Company's financial condition and results of operations together with its restated consolidated and unconsolidated financial statements which appear in this Draft Red Herring Prospectus. Unless otherwise stated, the financial information used in this section is derived from the Company's restated unconsolidated financial statements. The Company currently has six subsidiaries, none of which has any material assets and the Company does not derive any income from these subsidiaries. Prior to the Reorganization, we had two additional subsidiaries, Power Plant Engineers Limited and Jindal Petroleum Limited. As part of the Reorganization, effective June 30, 2009, we sold these subsidiaries. We did not derive any material income from these subsidiaries for any period prior to the Reorganization.

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. For more information on these differences, see "Financial Statements - Summary of Significant Differences among Indian GAAP, US GAAP and IFRS" beginning on page F63 of this Draft Red Herring Prospectus.

The Company's fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

In this section, a reference to the "Company" means Jindal Power Limited. Unless the context otherwise requires, references to "we", "us", "our", "JPL" or "Jindal" refers to Jindal Power Limited and its Subsidiaries, taken as a whole.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section "Risk Factors" beginning on page xiii of this Draft Red Herring Prospectus.

Overview

We are an established power generation company with a fully operational thermal power project of 1,000 MW installed generation capacity since September 2008, three thermal power projects and three hydroelectric projects under various stages of implementation with an aggregate installed generation capacity of 10,480 MW, and two thermal power projects and one hydroelectric project under various stages of planning with an aggregate installed generation capacity of 4,180 MW. Our 1,000 MW coal based power project at Tamnar in district Raigarh, Chhattisgarh ("Tamnar I Project") was the first power plant to achieve 'mega' power project status in the private sector in India. Two of our projects under implementation in Jharkhand and one of our projects under planning in Odisha were previously being developed by JSPL but are in the process of being assigned to us, subject to certain regulatory approvals. Our Tamnar I Project and a majority of our thermal power projects under implementation have well established fuel supplies from captive coal mines owned and/or operated either by us, or JSPL, one of our Promoters, or Shresth Mining and Metals Private Limited ("SMMPL"), one of our Group Companies. We seek to become a leading power company in the Indian power sector by operating and implementing projects which use a wide range of fuel sources, including renewable energy sources and having a presence across the value chain of the power sector, from power generation to power trading. We intend to capitalize on emerging opportunities in the Indian power sector, which are being driven by the demand and supply imbalance in India. According to Power Scenario at a Glance, October 2009 (CEA), the total energy deficit and peak power deficit during April to October 2009 was approximately 9.4% and 12.1%, respectively.

We commenced the commercial operation of the first 250 MW unit of our Tamnar I Project in December 2007. With the commencement of commercial operations of the remaining three 250 MW units of our Tamnar I Project in fiscal 2009, our unconsolidated total income increased from Rs. 1,258.65 million in fiscal 2008 to Rs. 33,142.64 million in fiscal 2009. Our employee base increased from 364 employees in fiscal 2008 to 596 employees in fiscal 2009. We are a subsidiary of JSPL which is engaged in the manufacture of steel and captive power generation with a total income of Rs. 77,994.30 million for the year ended March 31, 2009. JSPL has been operating since 1998, is listed on the BSE and the NSE and had more than 5,772 employees as of March 31, 2009. As a subsidiary of JSPL, we benefit from group synergies, including access to talent, competitive commercial terms and critical equipment and supplies and technical expertise and knowledge. JSPL has

indicated to us that all future independent power generation projects in India to be undertaken by JSPL will be developed by our Company.

Our Tamnar I Project commenced full commercial operations in September 2008. It is a fully integrated project with captive coal mines where coal is transported through a 6.9 km pipe conveyor belt built by us and power is evacuated through a 258 km long 400 kV double circuit dedicated transmission line built by us to the national power grid. We excavated approximately 4.89 million tons of coal in Fiscal 2009 and have approval to mine up to 6.25 million tons in Fiscal 2010. The Tamnar I Project has its own pipeline and a 18 meter high dam at the Kurket river to transport the water to, and store the water at Tamnar I Project. We are also operating and maintaining the project internally. The project has been operating efficiently, with a PLF of 84.40% during the year ended March 31, 2009 and a PLF of 95.74% during the three months ended June 30, 2009. We currently sell power produced by this project through bilateral power purchase arrangements and power exchanges to state-owned utilities and power distribution and trading companies. We believe our strategy of selling power through arrangements of varying durations and terms helps us respond quickly to market conditions and benefit from the favourable demand and supply dynamics of the Indian power sector. We believe this enabled us in achieving robust profitability during fiscal 2009 and the three months ended June 30, 2009.

We plan to leverage our experience from commissioning and operating the Tamnar I Project to implement a 2,400 MW coal based power project at Tamnar ("Tamnar II Project") adjacent to the Tamnar I Project. This 4x600 MW project is in an advanced stage of implementation. In addition to the Tamnar II Project, we expect to commission two additional thermal power projects and three hydroelectric projects with an aggregate installed generation capacity of 8,080 MW that are under various stages of implementation, which include a 1,320 MW coal based power project in Dumka, Jharkhand ("Dumka Project"), a 660 MW coal based power project in Godda, Jharkhand ("Godda Project"), a 4,000 MW hydroelectric power project in Etalin, Arunachal Pradesh ("Etalin Project"), a 500 MW hydroelectric power project in Attunli, Arunachal Pradesh ("Attunli Project") and a 1,600 MW hydroelectric power project in Subansiri Middle, Arunachal Pradesh ("Subansiri Middle Project"). The Etalin Project, the Attunli Project and the Subansiri Middle Project are being developed through joint ventures with Hydro Power Development Corporation of Arunachal Pradesh Limited (HPDCAPL). We are also planning to expand our generation capacity through the construction of a 2,640 MW thermal power project in Jharkhand ("2,640 MW Jharkhand Project"), a 1,320 MW coal based power project in Angul, Odisha ("Angul Project") and a 220 MW hydroelectric power plant in Chainpur Seti, Nepal ("Nepal Project") that are under various stages of planning. Each of these projects is strategically located to be in close proximity to fuel sources and to access high deficit power regions of India.

We intend to sell power through PPAs of varying durations and power exchanges to JSPL, state-owned utilities and power distribution and trading companies. We plan to sell power through a mix of short-term (ranging from one hour to 12 months), medium-term (ranging from one to four years) and long-term (over four years) PPAs.

Our subsidiary, Chhattisgarh Energy Trading Co. Ltd ("CETC") is engaged in power trading activities. CETC has a "Category II" license which allows us to trade power produced by third parties.

We are experienced in the operation and management of power projects. We operate and maintain our Tamnar I Project and intend to do so for our future projects.

Our Tamnar I Project's quality, environmental and safety management systems are certified to be in compliance under ISO 9001:2000, ISO 14001:2004 and OHSAS 18001:2007.

Assignment

On November 30, 2009, we entered into an assignment agreement with JSPL pursuant to which JSPL agreed to assign to us the MOU relating to, and its rights and obligations under, the Dumka Project and the Godda Project, each of which was previously being developed by JSPL as a CPP. This assignment is subject to the approval of the GoJ and various other approvals. On November 30, 2009, we also entered into an assignment agreement with JSPL pursuant to which JSPL agreed to assign to us the MOU relating to, and its rights and obligations under, the Angul Project which was previously being developed by JSPL. The assignment is subject to the approval of the GoO. For further details, see "***Description of Certain Key Contracts***" and "***Government and Other Approvals***" on pages 96 and 245, respectively. The discussion of our Company's financial condition and results of operations in this section does not reflect the Assignment.

Reorganization

On June 1, 2009, our Board of Directors approved the sale of our subsidiaries, Jindal Petroleum Limited and Power Plant Engineers Limited. On June 30, 2009, we entered into agreements for the sale of our shares in Power Plant Engineers Limited to Abhinandan Investment Limited and Mansarovar Investment Limited. On the same date, we also entered into agreements for the sale of our shares in Jindal Petroleum Limited to Abhinandan Investment Limited, Mansarovar Investment Limited and Stainless Investment Limited.

Revenue

Our total income currently comprises of:

- income from the sale of power; and
- other income.

Power generation business

Pricing

We currently sell and plan to continue to sell electricity pursuant to a mix of off-take arrangements, including primarily through short-term PPAs but also through medium-term PPAs, long-term PPAs and power exchanges in India. Of the proposed installed capacity of 11,480 MW of power generation that is either operational or under implementation, we have entered into definitive off-take arrangements for 2,125 MW of power.

- Long-term PPAs:

  We have entered into long-term PPAs with JSPL in respect of our Tamnar II Project, the Dumka Project and the Godda Project. Under the terms of the PPA for our Tamnar II Project, JSPL has agreed to purchase a quantity of power as mutually agreed between us and JSPL at a fixed rate of Rs. 3.17 per kWh for the first 5 years and at the rate of Rs. 2.91 per kWh thereafter. Under the terms of the PPAs for the Dumka Project and for the Godda Project, JSPL has agreed to purchase a quantity of power as mutually agreed between us and JSPL at a fixed rate of Rs. 2.80 per kWh until fiscal 2019 and at the rate of Rs. 2.50 per kWh thereafter.

  We also expect to enter into a PPA with CSEB in respect of our Tamnar II Project based on two-part tariff based pricing. Under two-part tariff based pricing, we are guaranteed a post-tax return on equity in accordance with the rates approved by the relevant electricity regulatory commission. See "—Two-part Tariff pricing" below.

- Medium-term and Short-term PPAs:

  We have entered into and intend to continue to enter into medium-term and short-term PPAs that allow us to better capture market rates, respond to the fluctuations in power demands, including responding to price increases and power shortages. The short-term PPAs provide for the delivery of power ranging from one hour up to 12 months in duration, and the medium-term PPAs provide for the delivery of power ranging from one year to three years in duration. An example is our operational Tamnar I Project from which we sell a majority of the power on a medium-term and short-term basis. These PPAs may, however, create additional variability in our revenues and could expose our business to risks of market fluctuations in the demand for and price of power. During fiscal 2009, we sold all the power generated from our Tamnar I Project under short-term PPAs.

  The table below sets forth the average price realisation for power sold on a short-term basis for the periods presented:

	Fiscal 2008	**Fiscal 2009**	**Three Months ended June 30, 2009**
	(Rs. per unit)		
Average Price Realisation	2.61	5.91	6.71

Two-part Tariff pricing

The most common method of pricing power sold on a long-term basis to state-owned companies is a two part tariff formula, where the tariff consists of a fixed component (also known as the capacity charge) and the variable component (also known as the energy charge).

The fixed component of the tariff mainly depends on the capital cost of the project. Typically, the fixed component enables the generation facility to recover the fixed expenses and earn a return on investment at an assured level of PLF. The fixed component of the tariff, according to CERC guidelines, comprises operation and maintenance expenses, depreciation, interest on working capital and long-term debt, income tax and return on equity.

This fixed component is recovered at a base PLF. In the event that the PLF achieved is higher than the base PLF, an incentive fee is paid, which improves the overall yield on equity. Further, if the PLF achieved is lower than the base PLF due to reasons attributable to the generator, a penalty reducing the overall equity yield is imposed. The variable component of the tariff covers the variable operating costs comprising of fuel costs and other costs.

Power trading business

Our subsidiary, CETC, has been engaged in power trading activities since September 2008. The Central Electricity Regulatory Commission, or "CERC", has granted us a "Category II" license to trade power in India. CETC is a member of PXIL. CETC does not currently engage in third party trading but may source power from third parties in the future, and the proportion of power we sell through CETC may increase as our generation capacity increases. The trading margin allowed by CERC regulation is currently capped at Rs. 0.04 per kWh.

We are a member of IEX. We have also invested in IEX, which is promoted by Financial Technologies (India) Limited, on the basis that our investment does not exceed 5% of it's paid up capital from time to time. We believe that given our planned expansion of power generation capacity, our investment in IEX would provide a platform for us to contribute to the development of exchange traded power in India.

Other Income

Our other income consists primarily of interest on fixed deposits and other investments. For the year ended March 31, 2009, we also received income from operating and managing JSPL's power plant.

Expenditures

Operating expenditures

Expenditures for power projects consist of the fixed costs associated with operating the power project (primarily interest, depreciation, operation and maintenance costs, transmission charges, cash discounts to customers and employee costs), and variable costs comprising of costs of primary fuel (coal) and secondary fuel (oil). Once our hydroelectric projects enter commercial operation, their expenditures are expected to consist primarily of the fixed costs associated with operating the projects, which are principally expected to consist of interest, depreciation and operation and maintenance costs.

Expenses related to and incurred during the development of a power project are included under capital work in progress on our balance sheet and are allocated to the respective project upon completion of its construction. These include expenses incurred in relation to our employees, depreciation, interest and administrative expenses. Certain preliminary and miscellaneous expenses such as legal and professional fees, which cannot be specifically assigned to a particular project, are included under administrative and general expenses.

We source coal for our operational project and intend to source coal for our projects under implementation through captive coal mines owned and operated by us or JSPL or SMMPL, and coal allocations granted to us by the Government of India.

The following table sets forth the average fuel cost per unit for the period presented:

	Fiscal 2008	Fiscal 2009	Three Months ended June 30, 2009
Average Fuel cost per unit	Rs. 0.26	Rs. 0.41	Rs. 0.51

We book depreciation in accordance with the Companies Act on a written down value method. The rates derived from this method is higher than the depreciation rates provided under the straight line method.

Factors Affecting our Results of Operations

Interest Rates under Project

As our power business is capital intensive, we are exposed to interest rate risk on debt availed. In addition as we are seeking to finance growth in part, with debt, any increase in interest expense may have an adverse effect on our financial results and business prospects. Our current debt facilities carry interest at variable rates. The variable interest rates change when the underlying benchmark changes. As of June 30, 2009, we had a total debt of Rs. 23,582.03 million outstanding. An increase in interest expense is likely to have an adverse effect on our financial results for our operational and future projects and also increase the project costs and cost of capital to us for our future projects. We intend to prepay high cost debt in order to reduce our interest costs. Between April 1, 2009 and October 31, 2009, we prepaid Rs. 10,910.75 million of debt.

Plant Load Factor at which we operate our power plants

Plant Load Factor, or "PLF," is the ratio of actual units of power generated by a plant to the maximum power that could theoretically be generated by the power plant during any contract period. PLF is one performance parameter used to measure efficiency of a power plant. The average PLF for our Tamnar I Project was 84.40% during the year ended March 31, 2009 and 95.74% during the three months ended June 30, 2009. A lower PLF means that we have less power available for sale. We try to maintain a high PLF by following best practices when operating and maintaining our plants.

Location of our projects

The choice of location for our power projects includes risk analysis involving the plant geographical location, source of fuel supply, proximity of the power plant from the source of supply and load centres for power evacuation, and other infrastructures such as ports. As the cost of transporting coal and water is more expensive than the cost of transporting power, the closer our power projects are located to fuel and water sources, the greater the costs savings. Our power projects are strategically located to access high deficit power regions of India.

Sale of power

We sell power through PPAs of varying durations to state-owned utilities, JSPL and power distribution and trading companies, directly or through power exchanges, to maximize return to our shareholders. For our power projects under implementation and planning, we plan to sell power through a combination of short-term, medium-term and long-term PPAs. We believe our strategy of selling power through arrangements of varying durations and terms helps us respond quickly to market conditions and benefit from the favourable demand/supply dynamics of the Indian power sector. Since the realization rates of long, medium and short-term power fluctuate, our results of operations may also fluctuate depending on the mix of power sold on long, medium and short-term basis.

Development status of our power projects

Our three thermal power projects under implantation; the Tamnar II Project, the Dumka Project and the Godda Project, as well as our three hydroelectric power projects under implementation; the Etalin Project, the Attunli Project and the Subansiri Middle Project are at different stages of implementation. Our Tamnar II Project is expected to be progressively commissioned with the first unit expected to commence commercial operations in December 2012 and the project is expected to commence full commercial operations in December 2013. Our Dumka Project and our Godda Project are expected to commence full commercial operations in May 2014 and January 2014, respectively. Our three hydroelectric projects under implementation are expected to commence full commercial operations between 2018 and 2020. The commercial operation dates for our power projects are estimates and subject to delay as a result of a delay or inability to obtain financing and various other risks and

uncertainties including, contractor performance shortfalls, unforeseen engineering problems, force majeure events, unanticipated cost increases and delays in obtaining government approvals, or securing fuel or water supplies, any of which could give rise to cost overruns or the termination of the development of our projects. The failure to complete the construction and development of the power facilities as planned, or in accordance with agreed specifications, could result in higher costs, penalties or liquidated damages, and lower returns. For further details, see "***Our Business—Projects under Implementation***" on page 82.

Government policy and demand for power

We believe the Indian economy will continue to grow over the next few years. The GoI and State Governments have linked improved infrastructure in the energy, transportation, urban infrastructure, and industrial and commercial infrastructure sectors as the platform for promoting and sustaining economic growth. We believe that Government focus on, and sustained increases in budgetary allocation for, power, and the development of more structured and comprehensive infrastructure policies that encourage greater private sector participation as well as the greater availability of funding for power projects from international and multi-lateral development financial institutions, should result in further power projects in India. As a consequence, we believe our business is a likely beneficiary of significant investment in power to improve power infrastructure, including transmission, distribution network by central and state governments and, as investment in power by the private sector gains momentum. As a result, macroeconomic factors in India such as interest rates, Government budgetary allocations for power projects, Government priorities with respect to infrastructure development, and capital expenditure by the private sector will determine the number and nature of power projects, which will in turn have a significant impact on our prospects and operating results.

The growth of the power industry in India and of our business is dependent on stable government policies and prudent regulations. Power generation has historically been the domain of the central and state governments, and has been constrained by various factors such as shortages of public funding, political considerations and issues of transparency and accountability. Changes in government policies have facilitated the entry of private capital into the Indian power industry and have led to rapid growth in the sector. For example, the GoI has expressed a "Power for All by 2012" objective, and enacted legislations in 1991, and again in 2003, designed to increase private sector participation in the Indian power sector. Further, the government's focus has also led to an increase in captive power generation capacity in India. For further details, see "***Industry Overview***" on page 56.

Our Tamnar I Project is a mega power project and receives certain benefits. See "***Industry Overview – Mega Power Projects***" on page 56 of this Draft Red Herring Prospectus for more details on benefits available to a 'mega power' project. It is also eligible to receive tax benefits under section 80IA of the I.T. Act which are available for all power projects that become operational prior to March 31, 2010. The GoI's power sector policy is one of the factors affecting the mix of power sold by us under long-term, medium-term and short-term PPAs in the future, our average realization and our results of operations. Power sector reforms have given us the flexibility to sell power for varying durations.

Macroeconomic Conditions

Our results of operations may be materially affected by conditions in the global capital markets and the economy generally in India and elsewhere around the world. As widely reported, financial markets in the United States, Europe and Asia, including India, have been experiencing extreme disruption in the recent past, including, among other things, extreme volatility in security prices, severely diminished liquidity and credit availability, rating downgrades of certain investments and declining valuations of others. These and other related events, such as the collapse of a number of financial institutions, have had a significant adverse impact on the availability of credit and the confidence of the financial markets, globally as well as in India.

Weak economic conditions in the markets, or a reduction in consumer spending even if economic conditions improve, could adversely impact our Company's business and results of operations in a number of ways, including increased financing costs. All of these factors may significantly affect our business and results of operations.

Critical Accounting Policies

Our financial statements have been prepared in accordance with Indian GAAP. The financial statements are prepared under the historical cost convention, on the accounting principles of a going concern and as per applicable accounting standards. Our significant accounting policies are set forth in Annexure 5 to our

unconsolidated financial statements included on page F1. Indian GAAP requires that we adopt accounting policies and make estimates that our Directors believe are most appropriate in the circumstances for the purposes of giving a true and fair view of our results of operations and the understanding of our financial condition and results of operations. The preparation of our financial statements requires us to make difficult and subjective judgment in selecting the appropriate estimates and assumptions that affect the amounts reported in our financial statements. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on our historical experience, terms of existing contracts, our observance of trends in the industry and information available from other outside sources, as appropriate. There can be no assurance that our judgments will prove correct.

While we believe that all aspects of our financial statements should be studied and understood in assessing our current and expected financial condition and results, we believe that the following critical accounting policies warrant additional attention:

Revenue recognition

Revenue is recognised based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery. Revenue is recognised once the customer is billed on the basis of the consumption of energy recorded on installed meters. Where meters are faulty or do not work correctly, billing is based on past consumption for such period.

Fixed assets

Fixed assets are recorded at cost which includes purchase price and any incidental expenditure incurred up to the date of installation and use of the asset, less accumulated depreciation.

Certain plant and machineries have been considered as continuous plant on the basis of the technical assessment of the management of the Company.

Depreciation, Amortization and Impairment of Assets

Depreciation on fixed assets is provided on written down value method at the rates and in the manner specified in Schedule XIV to the Companies Act.

Assets costing up to Rs. 5000 are depreciated fully in the year of purchase of such asset, leasehold land is amortised over the period of lease. And intangible assets are amortised over the expected duration of benefits.

In accordance with AS-28, 'Impairment of assets', issued by the Institute of Chartered Accountants of India, where there is an indication of impairment of the assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognised in the profit and loss account whenever the carrying amount of such assets exceeds its recoverable amount.

Borrowing costs

(i) Borrowing costs (including exchange difference) directly attributable to the acquisition and construction of a qualifying fixed asset are capitalised as part of cost of such asset upto the date when such asset is ready for its intended use.

(ii) Other borrowing costs are charged to the profit and loss account.

Foreign exchange transactions

Foreign exchange transactions are recorded at the exchange rates prevailing on the date of the transaction.

Foreign currency designated assets, liabilities and capital commitments are stated at the rates prevailing on the date of the closure at year-end.

Forward contracts, other than those entered into to hedge foreign currency risk on unexecuted firm commitments or of highly probable forecast transactions, are treated as foreign currency transactions. Exchange differences arising on such contracts are recognized in the period in which they arise and the premium paid is accounted as expense over the period of the contract.

Taxation on Income

Current tax is the amount of tax payable on the taxable income for the current year as per the provisions of the I.T. Act, 1961. Tax credit is recognised in respect of Minimum Alternate Tax (MAT) based on convincing evidence that the normal income tax will be payable within the statutory time frame and the same is reviewed at each balance sheet date.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain as the case may be to be realised.

Expenditure During Construction Period

Expenditure incurred during construction period are carried forward and capitalized appropriately at the time of completion and installation of fixed assets.

Employees Benefits

Contribution to gratuity is made with Life Insurance Corporation of India and provisions for gratuity and leave encashment benefits are accounted on the basis of actuarial valuation.

Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognised as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

Miscellaneous Expenditure

The following expenditure shown under miscellaneous expenditure is amortised as follows:

a) Preliminary expenses are written off in the year of start of production.

b) Mines Development Expenditure (comprises initial expenditure for coal mines and expenditure for removal of overburden) is charged to the profit and loss in the year in which the same is incurred.

Results of Operations

	For Three Months ended June 30, 2009		For the Year Ended March 31, 2009		For the Year Ended March 31, 2008		For the Year Ended March 31, 2007	
	Amount (Rs. in million)	Percentage of Total Income (%)	Amount (Rs. in million)	Percentage of Total Income (%)	Amount (Rs. in million)	Percentage of Total Income (%)	Amount (Rs. in million)	Percentage of Total Income (%)
INCOME								
Sales of Power	12,591.32	98.38	32,584.78	98.32	1,263.56	100.39	-	-
Less: Electricity Duty	-	0.00	10.04	0.03	9.66	0.77	-	-
Net Sales	12,591.32	98.38	32,574.74	98.29	1,253.90	99.62	-	-

	For Three Months ended June 30, 2009		For the Year Ended March 31, 2009		For the Year Ended March 31, 2008		For the Year Ended March 31, 2007	
	Amount (Rs. in million)	Percentage of Total Income (%)	Amount (Rs. in million)	Percentage of Total Income (%)	Amount (Rs. in million)	Percentage of Total Income (%)	Amount (Rs. in million)	Percentage of Total Income (%)
OTHER INCOME	207.23	1.62	567.90	1.71	4.75	0.38	-	-
TOTAL INCOME	**12,798.55**	**100.00**	**33,142.64**	**100.00**	**1,258.65**	**100.00**	-	-
EXPENDITURE								
Cost of Fuel	1,076.36	8.41	2,500.35	7.54	136.43	10.84	-	-
Staff Costs	117.56	0.92	264.61	0.80	19.36	1.54	-	-
Other Manufacturing Expenses	150.93	1.18	430.53	1.30	39.05	3.10	-	-
Selling and Distribution Expenses	347.70	2.72	1,229.69	3.71	0.70	0.06	-	-
Administration and Other Expenses	161.32	1.26	1,074.38	3.24	103.48	8.22	-	-
Interest and Bank Charges	749.77	5.86	3,131.40	9.45	464.70	36.92	-	-
TOTAL EXPENDITURE	**2,603.64**	**20.34**	**8,630.96**	**26.04**	**763.72**	**60.68**	-	-
Profit Before Depreciation and Tax	**10,194.91**	**79.66**	**24,511.68**	**73.96**	**494.93**	**39.32**	-	-
Depreciation	1,182.74	9.24	5,307.26	16.01	275.13	21.86	-	-
PROFIT BEFORE TAXATION	**9,012.17**	**70.42**	**19,204.42**	**57.95**	**219.80**	**17.46**	-	-
Provision for Current Tax	1,531.61	11.97	2,206.65	6.66	24.66	1.96	-	-
Deferred Tax	45.05	0.35	1,172.68	3.54	-	-	-	-
Provision for Wealth Tax	0.43	0.00	0.81	0.00	0.11	0.01	-	-
Provision for Fringe Benefit Tax	-	0.00	5.00	0.02	0.71	0.06	-	-
PROFIT AFTER TAX	**7,435.08**	**58.09**	**15,819.28**	**47.73**	**194.32**	**15.44**	-	-
Adjustments	(407.77)	(3.19)	1,028.82	3.10	(440.05)	(34.96)	(168.78)	-
PROFIT AFTER TAX, AS RESTATED	**7,027.31**	**54.91**	**16,848.10**	**50.84**	**(245.73)**	**19.52**	**(168.78)**	-

Results for the three months ended June 30, 2009

Income

Our total income, comprising net sales and other income, was Rs. 12,798.55 million for the three months ended June 30, 2009.

Income from operations

Our income from operations for the three months ended June 30, 2009 comprised income from sales of power. We have applied for an exemption from electricity duty which is available for power companies such as us in the state of Chhattisgarh. The PLF was 95.74% and power generated was 2,091.07 Million Units (MUs) for the three months ended June 30, 2009.

Other Income

Other income was Rs. 207.23 million for the three months ended June 30, 2009, primarily due to interest income on surplus funds invested and profit on sale of investments.

Expenditure

The total expenditure, including depreciation, was Rs. 3,786.38 million for the three months ended June 30, 2009.

The breakup of total expenditure is summarized below:

Cost of Fuel

Cost of fuel was Rs. 1,076.36 million for the three months ended June 30, 2009 primarily comprising cost of coal mined from our captive mines, coal fines purchased from JSPL and cost of secondary fuel (oil). As a percentage of total income, cost of fuel was 8.41% for the three months ended June 30, 2009.

Staff Cost

Staff cost was Rs. 117.56 million for the three months ended June 30, 2009 comprising salary and wages of managerial staff and workers, including employee related expenses such as staff welfare expenses. As a percentage of total income, staff cost was 0.92% for the three months ended June 30, 2009.

Other Manufacturing Expenses

Other manufacturing expenses were Rs. 150.93 million for the three months ended June 30, 2009 comprising store and spares consumption, repairs and maintenance expenses and other operation related expenses

Selling and Distribution Expenses

Selling and distribution expenses were Rs. 347.70 million for the three months ended June 30, 2009 comprising transmission charges and cash discount offered to customers.

Administration and Other Expenses

Administration and other expenses were Rs. 161.32 million for the three months ended June 30, 2009 comprising insurance expenses, traveling and conveyance expenses, and legal and consultancy fee.

Interest and Bank charges

Interest and bank charges were Rs. 749.77 million for the three months ended June 30, 2009, primarily comprising interest on long term debt.

Depreciation

Depreciation was Rs. 1,182.74 million for the three months ended June 30, 2009.

Profit before Tax

As a result of the foregoing, profit before taxation was Rs. 9,012.17 million for the three months ended June 30, 2009.

Provision for Tax

The provision for tax liabilities was Rs. 1,577.09 million for the three months ended June 30, 2009. The primary components of our tax liabilities for the three months ended June 30, 2009 were current tax, deferred tax, wealth tax and fringe benefit tax.

Profit after Tax

As a result of the foregoing, the net profit after tax was Rs. 7,435.08 million for the three months ended June 30, 2009. As a percentage of total income, net profit after tax was Rs. 58.09% for the three months ended June 30, 2009.

Profit after Tax, as restated

Our net profit after tax as restated was Rs. 7,027.31 million for the three months ended June 30, 2009. Restatement adjustments decreased net profit by Rs. 407.77 million for the three months ended June 30, 2009. For details, see "- Effect of Restatement" below.

Comparison of Fiscal 2009 and Fiscal 2008

During fiscal 2008, one 250 MW unit of our Tamnar I Project became commercially operational. During fiscal 2009, the remaining three 250 MW units became commercially operational in phases. Therefore the results of fiscal 2008 and fiscal 2009 are not directly comparable.

Income

Our total income increased to Rs. 33,142.64 million in fiscal 2009 from Rs. 1,258.65 million in fiscal 2008. The reason for the increase has been summarized below:

Income from operations

The breakup of income from operations is set forth below:

Nature of Income	Fiscal 2009	Fiscal 2008	Variation
	(Rs. in million)		
Sales of Power	32,584.78	1,263.56	2,478.81%
Less: Electricity Duty	10.04	9.66	3.93%
Net Sales	**32,574.74**	**1,253.90**	**2,497.87%**

The reasons for the variations are as follows:

(a) The PLF increased to 84.40% and the power generated increased to 6,152.49 MUs for fiscal 2009 from 77.22% and 532.83 MUs respectively, for fiscal 2008. The average price realisation (our revenue from sales and operational income divided by the units of power sold) increased to Rs. 5.91 per unit in fiscal 2009 from Rs. 2.61 per unit in fiscal 2008 primarily due to an increase in tariffs and increased access to market due to increased connectivity with national grid.

(b) Electricity duty increased to Rs. 10.04 in fiscal 2009 from Rs. 9.66 in fiscal 2008 due to increased power sold in fiscal 2009.

Other Income

Other income increased to Rs. 567.90 million in fiscal 2009 from Rs. 4.75 million in fiscal 2008 primarily due to an increase in interest income from surplus funds invested and technical service fee for operating and maintaining power plants for JSPL.

Expenditure

The total expenditure, including depreciation, increased to Rs. 13,938.22 million in fiscal 2009 from Rs. 1,038.85 million in fiscal 2008. The reasons for the increase are summarized below:

Cost of Fuel

Cost of fuel increased to Rs. 2,500.35 million in fiscal 2009 from Rs. 136.43 million in fiscal 2008 primarily because only one 250 MW unit of our Tamnar I Project was operational during fiscal 2008 compared to all the four 250 MW units operating during fiscal 2009. As a percentage of total income, cost of fuel decreased to 7.54% in fiscal 2009 from 10.84% in fiscal 2008.

Staff Cost

Staff cost increased to Rs. 264.61 million in fiscal 2009 from Rs. 19.36 million in fiscal 2008 due to increase in the number of employees for operation and maintenance as the Tamnar I Project became operational in phases, staff cost in fiscal 2008 was incurred for only four months. As a percentage of total income, staff costs

decreased to 0.80% in fiscal 2009 from 1.54% in fiscal 2008.

Other Manufacturing Expenses

Other manufacturing expenses increased to Rs. 430.53 million in fiscal 2009 from Rs. 39.05 million in fiscal 2008 primarily due to repairs to buildings, plant and machinery.

Selling and Distribution Expenses

Selling and distribution expenses increased to Rs. 1,229.69 million in fiscal 2009 from Rs. 0.70 million in fiscal 2008, primarily due to cash discounts provided to our customers and transmission charges for evacuation of power to national grid.

Administration and Other Expenses

Administration and other expenses increased to Rs. 1,074.38 million in fiscal 2009 from Rs. 103.48 million in fiscal 2008, primarily due to vehicle repair and maintenance costs, green belt development expenses and mine development expenses written off.

Interest and Bank charges

Interest and bank charges increased to Rs. 3,131.40 million in fiscal 2009 from Rs. 464.70 million in fiscal 2008. In accordance with our accounting policy, expenses related to and incurred during the development of a power project are included under capital work in progress on our balance sheet and are allocated to the respective project upon its commercial operation. Accordingly, interest cost on borrowings relating to our Tamnar I Project were recognized as expenditure in phases during fiscal 2008 and fiscal 2009 as the Tamnar I Project became commercially operational in phases during such period.

Depreciation

Depreciation increased to Rs. 5,307.26 million in fiscal 2009 from Rs. 275.13 million in fiscal 2008. In accordance with our accounting policy, assets related to the development of a power project are included under capital work in progress on our balance sheet on which there is no depreciation charge. These assets are accounted for as gross fixed assets upon the power project achieving commercial operation on which we charge depreciation. Accordingly, there was an increase in gross fixed assets as our Tamnar I Project became commercially operational in phases in fiscal 2008 and fiscal 2009.

Profit before Tax

As a result of the foregoing, profit before taxation increased to Rs. 19,204.42 million in fiscal 2009 from Rs. 219.80 million in fiscal 2008.

Provision for Tax

The provision for tax liabilities increased to Rs. 3,385.14 million in fiscal 2009 from Rs. 25.48 million in fiscal 2008. The primary components of this increase were current tax, deferred tax, wealth tax and fringe benefit tax. The increase in provision for taxation was primarily due to higher income in fiscal 2009.

Profit after Tax

As a result of the foregoing, the net profit after tax increased to Rs. 15,819.28 million in fiscal 2009 from Rs. 194.32 million in fiscal 2008. As a percentage of total income, net profit after tax increased to 47.73% in fiscal 2009 from 15.44% in fiscal 2008.

Profit after Tax, as restated

Our net profit after tax as restated was Rs. 16,848.10 million in fiscal 2009 and net loss after tax as restated was Rs. 245.73 million in fiscal 2008. Restatement adjustments increased net profit by Rs. 1,028.82 million in fiscal 2009 and decreased net profit by Rs. 440.05 million in fiscal 2008. For details, see "- Effect of Restatement" below.

Comparison of Fiscal 2008 and Fiscal 2007

As our Tamnar I Project became operational in December 2007 and commenced full commercial operations in September 2008, we did not have any income from operations prior to fiscal 2008. We have therefore not included any information on our results of operations for any periods prior to fiscal 2008, except as specified below:

Profit After Tax, as restated

Our net loss after tax as restated was Rs. 245.73 million in fiscal 2008 and Rs. 168.78 million in fiscal 2007. Restatement adjustments decreased net profit by Rs. 440.05 million in fiscal 2008 and Rs. 168.78 million in fiscal 2007. For details, see "- Effect of Restatement" below.

Effect of Restatement

Our restated consolidated financial information for fiscals 2009, 2008, 2007, 2006 and 2005 has been presented in compliance with paragraph B(1) of Part II of Schedule II to the Companies Act, Indian GAAP and the SEBI Regulations. The effect of such restatement is that our unconsolidated financial statements included in this Draft Red Herring Prospectus have been restated to conform to methods used in preparing our latest financial statements, as well as to conform to any changes in accounting policies and estimates. The principal adjustments to our unconsolidated financial statements, including on account of changes in accounting policies and estimates, are described below:

SUMMARY STATEMENT OF ADJUSTMENTS

	For the Three Months ended June 30, 2009	**For Fiscal**			
		2009	**2008**	**2007**	**2006**
	(Rs. in million)				
Profit After Tax as per Audited Financials (A)	7,435.08	15,819.28	194.32	-	-
Adjustment for change in accounting policy:					
• Depreciation	-	546.79	(546.79)	-	-
• Mine Development Expenses	-	565.15	(291.92)	(254.44)	(18.79)
• Employee Benefits	-	-	(0.94)	0.02	2.01
Other Adjustments	(491.26)	491.26	-	-	-
Total Adjustments	(491.26)	1,603.20	(839.65)	(254.42)	(16.78)
Tax Impact on above adjustments	83.49	(574.38)	399.60	85.64	5.65
Total Adjustments after tax impact (B)	(407.77)	1,028.82	(440.05)	(168.78)	(11.13)
Profit After Tax, as restated	**7,027.31**	**16,848.10**	**(245.73)**	**(168.78)**	**(11.13)**

(1) Adjustments on account of material adjustments

Adjustments on account of change in accounting policy

During the year ended March 31, 2009, we changed our policy of depreciation from straight line method to written down value method resulting in additional charge to profit and loss account amounting to Rs. 546.79 million, which has been adjusted in the profit and loss account for the year ended on March 31, 2008.

Until the year ended on March 31, 2008, our Company was including all the expenditure incurred towards development work on captive coal mines under capital work in progress. During the year ended March 31, 2008,

we adopted the policy of charging such expenses in the year in which it was incurred. The financial statements for the years ended March 31, 2009, 2008, 2007 and 2006 have therefore been restated accordingly.

Other adjustments have been made in the restated financial information by a reclassification of the corresponding items of assets, liabilities, income, expenses and cash flows to bring them in line with the groupings in the financial statements for the three months ended June 30, 2009, for the purpose of restatement related adjustments. For further details, please see Note 4 our unconsolidated Financial Statements on page F1.

Tax impact on adjustments

The tax impact of the above mentioned adjustments on restatement has been provided at the tax rate applicable for the respective year to which it relates.

Liquidity and Capital Resources

The power generation business is capital intensive. Our plan to construct the power projects that we currently intend to develop will require significant design, development and construction capital and the funding of operating losses during the start-up phase of each project.

Cash Flows

The table below summarizes our audited unconsolidated cash flows for the periods presented:

	For the Three Months ended June 30, 2009	**Fiscal 2009**	**Fiscal 2008**	**Fiscal 2007**
	(Rs. in million)			
Cash Inflow/(Outflow) from operating activities	10,790.63	23,115.27	(635.22)	1,769.69
Cash Inflow/(Outflow) from investing activities	(5,572.19)	(17,415.45)	(12,787.09)	(18,360.73)
Cash Inflow/(Outflow) from financing activities	(8,490.94)	(2,635.54)	13,295.26	16,306.32
Net changes in cash and cash equivalents	(3,272.50)	3,064.29	(127.05)	(284.72)
Cash and Cash Equivalent (Closing Balance)	**68.84**	**3,341.34**	**277.05**	**404.10**

Cash Flows from Operating Activities

The net cash from operating activities for the three months ended June 30, 2009 was Rs. 10,790.63 million, primarily due to cash generated from operations before working capital changes of Rs. 10,366.80 million, cash used in loans and advances of Rs. 9.20 million and inventories of Rs. 77.59 million, cash from sundry debtors of Rs. 461.74 million and tax paid of Rs. 697.46 million.

The net cash from operating activities in fiscal 2009 was Rs. 23,115.27 million compared to net cash used in operating activities of Rs. 635.22 million in fiscal 2008, primarily due to a significant increase in net profit after tax in fiscal 2009 as the entire Tamnar I Project commenced full commercial operations during fiscal 2009 compared to only one 250 MW unit of the Tamnar I Project being operational during fiscal 2008, an increase in working capital as a result of greater focus on short-term PPAs leading to an improvement in our payment cycle and a decrease in sundry debtors in fiscal 2009, as well as payment of retention money to contractors leading to a decrease in current liabilities and provisions.

The net cash from operating activities in the year ended March 31, 2007 was Rs. 1,769.69 million, primarily due to the retention of money payable to contractors accounted for under current liabilities and provisions.

Cash Flows from Investing Activities

The cash flow from or used in investment activities represents capital expenditure for our projects comprising plant and equipment used in our power business and investments, offset in each fiscal year by minor disposal of fixed assets, sales of investments and dividends received.

Net cash used in investment activities was Rs. 5,572.19 million for the three months ended June 30, 2009 primarily due to intercompany loans and advances and advance payment for purchase of BTG packages for our Tamnar II Project.

Net cash used in investment activities was Rs. 17,415.45 million during the year ended March 31, 2009 compared to Rs. 12,787.09 million during the year ended March 31, 2008 primarily for the purchase of plant and machinery for the Tamnar I Project and intercompany loans and advances.

Net cash used in investment activities was Rs. 18,360.73 million during fiscal 2007 primarily for purchase of plant and machinery for our Tamnar I Project.

Cash from or used in Financing Activities

Cash from or used in financing activities is determined primarily by the level of borrowings, the schedule of principal and interest payments on borrowings, and payment of dividends.

For the three months ended June 30, 2009, our cash used in financing activities was Rs. 8,490.94 million primarily due to repayment of borrowings. As of June 30, 2009, we had total outstanding secured loans of Rs. 23,582.03 million, borrowed for our Tamnar I Project.

For fiscal 2009, our cash used in financing activities decreased to Rs. 2,635.54 million from net cash from financing activities of Rs. 13,295.26 million in fiscal 2008 primarily due to higher borrowings in fiscal 2008 for our Tamnar I Project, an increase in interest payments in fiscal 2009 and issuance of equity shares to our Promoter in fiscal 2008. As of March 31, 2009, we had total outstanding secured and unsecured loans of Rs. 31,327.65 million compared to Rs. 30,849.29 million as of March 31, 2008.

For fiscal 2008, our cash from financing activities decreased to Rs. 13,295.26 million as compared to Rs. 16,306.32 million in fiscal 2007, primarily due to an increase in repayment of borrowings in fiscal 2008.

Capital Expenditure, Investments and Loans and Advances

Our Company's purchase of fixed assets (including capital work-in-progress and capital advances) for the three months ended June 30, 2009 and for fiscal 2009, 2008 and 2007 was approximately Rs. 3,648.78 million, Rs. 8,770.98 million, Rs. 11,863.63 million and Rs. 17,997.14 million, respectively. The expenditure for fiscal 2009 consisted primarily of expenses on our Tamnar II Project. The investment in, and loans and advances, to subsidiaries for fiscal 2009 consisted primarily of expenses on Etalin Project, Attunli Project and Subansiri Middle Project.

As of November 30, 2009, we had spent Rs. 9,073.65 million on our operational projects and projects under implementation described in the table below:

Projects	**Amount deployed as of November 30, 2009**
Capital Expenditure:	**(Rs. in million)**
Tamnar II Project (2,400 MW)	5,718.21
Dumka Project (1,320 MW)	7.32
Godda Project (660 MW)	Nil
Investments and Loans and Advances for other projects:	
Etalin Project (4,000 MW)	2,415.29
Attunli Project (500 MW)	132.83
Subansiri Middle Project (1,600 MW)	800.00
Total	9,073.65

For details of the capital expenditure for the thermal power projects in the table above, see "Objects of the Issue — Description of the Identified Projects."

Other than our Tamnar II Project, we have not signed contracts with contractors for the supply of equipment and construction of our projects. We may have to revise our cost estimates as and when such contracts are awarded. In addition, exchange rate fluctuations, changes in design or configuration of the project, incremental rehabilitation and other pre-operative expenses and external factors such as geological assessments, which may not be within the control of our management, may entail rescheduling and revising our estimated costs.

As of March 31, 2009, our cash and cash equivalents were Rs. 3,341.34 million, denominated principally in Rupees. Our business involves significant working capital requirements We have in the past relied principally on internal cash flow and other funds, affiliate loans, bank borrowings and advances from clients. We expect that, going forward, we will finance with a combination of bank borrowings and operating cash flows. However, we cannot assure you that our power business will not change in a manner that would consume our available capital resources more rapidly than anticipated, particularly as we continue to evaluate other power projects. We will be required to raise additional capital to complete the six projects under implementation. We will require even higher levels of additional capital if we procure rights to develop additional projects in the future or if we do not obtain 'mega-power' status from the Government of India for our Tamnar II Project under implementation. We will seek to obtain additional funding through additional issuances of equity and/or debt securities or by securing new loans.

We paid capital advances for the purchase of certain equipment for the Tamnar II Project prior to June 30, 2009. However, in order to get the 'mega' power status for the Tamnar II Project, we are required to purchase equipment on an international competitive bidding basis and therefore we cancelled the purchase orders. The amount of capital advance was refunded to us after June 30, 2009 resulting in a decrease in our fixed assets after June 30, 2009.

Indebtedness

As of March 31, 2009 we had outstanding secured loans of Rs. 31,327.65 million. As at June 30, 2009, we had outstanding secured loans of Rs. 23,582.03 million. We had no unsecured loans as of March 31, 2009 and June 30, 2009.

All of our financing arrangements are secured on a first *pari passu* basis by a charge on various assets, including plant and machinery, land and other assets. Our sundry debtors and inventories are subject to charges created in favour of specific secured lenders. The increase in loans by Rs. 478.36 million from March 31, 2008 to March 31, 2009 is primarily a result of the additional indebtedness incurred for our Tamnar I Project.

Our financing agreements include covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. For further details, see "***Financial Indebtedness***" on page 183.

We believe that our relationships with our lenders are good and we are in compliance with the covenants in our loan agreements. Compliance with the various terms of our loans is, however, subject to interpretation. As a result, it is possible that a lender could assert that we have not complied with all the terms under our existing financing documents. Any failure to service our indebtedness, comply with a requirement to obtain a consent or perform any condition or covenant could lead to a termination of one or more of our credit facilities, acceleration of all amounts due under such facilities, any of which may adversely affect our ability to conduct our business and have a material adverse effect on our financial condition and results of operations.

In fiscal 2009, the capital and credit markets worldwide experienced significant volatility as a result of adverse conditions that have caused the failure and near failure of a number of large financial services companies, including a reduction in liquidity levels, increasing costs for credit protection and a general decline in lending activity between financial institutions and in commercial lending markets worldwide. If the capital and credit markets continue to experience volatility and the availability of funds remains limited, we will incur increased financing costs associated with significant levels of debt and/or other debt instruments. In addition, it is possible that our ability to access the capital and credit markets may be limited by these or other factors at a time when we would like, or need, to do so, which could have an impact on our ability to grow our businesses, refinance maturing debt, maintain our dividend, maintain our credit ratings and/or react to changing economic and business conditions. As a result, we may be required to meet our funding needs by procuring financing on terms

which restrict us in certain ways, including by limiting our ability to pay dividends or requiring us to procure consents before we can pay dividends to holders of our Equity Shares. See "Risk Factors — Risks Related to the Company's Business — Difficult conditions in the global capital markets and the economy generally have affected and may continue to affect the Company's business and results of operations and may cause the Company to experience limited availability of funds."

Please also see "***Financial Indebtedness***" on page 183.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations and commitments to make future payments as of June 30, 2009 on a consolidated basis:

As of June 30, 2009					
Payment Due by Period					
	Total	**Less than 1 year**	**1-3 years**	**3 -5 years**	**More than 5 years**
(Rs. in million)					
Long Term Loans					
Rupee Term Loans/Debentures	23,582.03	2,431.80	4,863.60	4,863.60	11,423.00

Contingent Liabilities and other Off-Balance Sheet Arrangements

We had contingent liabilities in the following amounts, as disclosed in our audited consolidated financial statements:

Details	As of March 31, 2009	As of June 30, 2009
	(Rs. in million)	
Exemption from electricity duty pending final regulatory approval	26.80	35.50[(1)]

[(1)] *As of October 31, 2009, this amount was Rs 47.87 million.*

Except as described above, we have no contingent liabilities or other off-balance sheet arrangements.

Transactions with Associates and Related Parties

From time to time, we enter into transactions with companies which are controlled by members of our Promoter Group and other related parties in the ordinary course of our business. For details regarding our related party transactions, see "***Financial Statements — Related Party Transactions***" on page F47.

Quantitative and Qualitative Disclosure about Market Risk

We are exposed to market risks associated with commodity prices and interest rates**.** The commodity price risk exposure results from market fluctuations in the selling price of electricity and in purchase price and transportation costs of other commodities including, fuel. We are exposed to various types of market risks in the normal course of business. For instance, we are exposed to market interest rates and exchange rate movements on the imported components of BTG packages. The following discussion and analysis, which constitute "forward-looking statements" summarizes our exposure to various market risks.

Foreign Currency Exchange Rate Risk

Our Company is exposed to foreign exchange rate risk on the imported components of the BTG packages. We currently do not hedge against this foreign currency exchange rate risk.

Credit Risk

In the power business, we currently derive most of our operating revenue from contracts with government entities as the counter-party. Currently, some payments by such entities are not secured by any form of credit support such as letters of credit, performance guarantees or escrow arrangements.

Interest Rate Risk

Our net profit is affected by changes in interest rates which impact interest expense. In addition, an increase in interest rate may adversely affect our results of operations.

As of June 30, 2009, all of our debt of Rs. 23,582.03 million was subject to floating rates which change when the underlying benchmark changes. The floating rate debt exposes us to market risk as a result of changes in interest rates. We undertake debt obligations to support capital expenditures, working capital, and general corporate purposes. An increase in interest expense is likely to have an adverse effect on our financial results for our operational and future projects and also increase the project costs and cost of capital to us for our future projects. An increase in interest rates of 1% on our existing floating rate debt would increase our annual interest liability by approximately Rs. 235.82 million based upon the long-term loans outstanding of Rs. 23,582.03 million as of June 30, 2009. We do not currently use any derivative instruments to hedge against the interest rate risk.

Commodity Risk

We have entered into coal supply agreements with JSPL for fuel requirements for our thermal power projects under implementation in Jharkhand. With respect to those PPAs where fuel is not a complete pass through expense, we are subject to variations in the price of fuel at rates fixed by such companies.

We are exposed to fluctuations in the price, availability and quality of the primary raw materials that we require for implementation of our projects. We are also exposed to the market fluctuations in the selling price of electricity.

Significant Developments after June 30, 2009 that may affect our future Results of Operations

To our knowledge, no circumstances other than as disclosed in this Draft Red Herring Prospectus have arisen since the date of the last financial statements contained in the Draft Red Herring Prospectus which materially and adversely affect or are likely to affect, our operations or profitability of our Company, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

Unusual or Infrequent Events or Transactions

Other than as described in this Draft Red Herring Prospectus, particularly in the sections "***Risk Factors***" and "***Our Business***" on page xiii and 71, respectively of this Draft Red Herring Prospectus, to our knowledge, there have been no events or transactions that may be described as "unusual" or "infrequent".

Significant economic changes

Except as described in the section titled "***Industry Overview***" on page 56, to our knowledge, there are no significant economic changes that materially affected or are likely to affect our income from continuing operations.

Known Trends or Uncertainties

Other than as described in this Draft Red Herring Prospectus, particularly in the sections "***Risk Factors***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page xiii and 188, respectively, of this Draft Red Herring Prospectus, to our knowledge, there are no trends or uncertainties that have or had or are expected to have a material adverse impact on our income from continuing operations.

Future Relationship between Costs and Income

Other than as described in the sections "***Risk Factors***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on pages xiii and 188, respectively, to our knowledge, there are no known factors which will have a material adverse impact on our operations and finances.

Seasonality of Business

Our business may be affected during the summer and monsoon seasons due to fluctuations in tariffs and difficult working conditions that restrict our ability to carry on construction activities and fully utilise our resources. In addition, some of our prospective power consumers may have businesses which are seasonal in nature and a downturn in demand for power by such consumers could reduce our revenues during such periods.

Significant Dependence on a Single or Few Customers

As described in the sections titled "***Risk Factors***" and "***Our Business***" beginning on pages xiii and 71, respectively, we depend on a few customers for selling electricity produced at our power projects.

Competitive Conditions

We expect competition in the power industry from existing and potential competitors to intensify. For further details regarding our competitive conditions and our main competitors, see the sections "***Risk Factors***" and "***Our Business***" beginning on pages xiii and 71, respectively.

SECTION VI - LEGAL AND OTHER INFORMATION
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, Subsidiaries, Directors, Promoters, or Group Companies and there are no defaults, non payment or overdue of statutory dues, over-dues to banks or financial institutions, rollover/re-scheduling of loans or any other liability, dues payable to holders of any debentures, bonds and fixed deposits and arrears of preference shares of our Company defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic, civil or 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. Further, our Company, our Subsidiaries, our Directors or our Promoters or Group Companies have not been declared as willful defaulter by RBI, have not been debarred from dealing in securities and / or accessing the capital markets by SEBI and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, Subsidiaries, our Promoters, Group Companies or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

Contingent liability not provided for:

We had contingent liabilities not provided for in the following amounts, as disclosed in our audited unconsolidated financial statements:

Details	As of June 30, 2009	As of March 31, 2009
		(Rs. in million)
Exemption from electricity duty pending final regulatory approval	35.50	26.80

(1) As of October 31, 2009, this amount was Rs 47.87 million.

I. Litigation involving our Company

Litigation against our Company

Civil cases

1. Ms. Meena Gupta and others filed a suit for declaration and possession (no. 16A/2007) before the First Civil Judge, Senior Division, Raigarh against our Company and others to claim right over agricultural land or khasra nos. 296, 229/47/2, 404 and 296/1. Ms. Meena Gupta has alleged that the property which was sold by Mr. Keshavanand Gupta was a hereditary property and such sale was unlawful. Amongst other things, Ms. Meena Gupta has prayed that the possession of land sold to our Company by Mr. Keshvananda Gupta be granted to her. Our Company filed a reply dated August 6, 2008 denying all allegations of the sale being unlawful. The matter is currently pending.

2. The Power Grid Corporation of India Limited on being issued a show cause notice by the service tax authorities for payment of service tax filed a petition (no. 62 of 2009) before the Central Electricity Regulatory Commission ("**CERC**"), New Delhi on March 20, 2009 for permission to bill and recover service tax on transmission from various transmission licenses and other charges recoverable by GoI, involving an aggregate amount of Rs. 33,000 million from all the 53 respondents in the matter. Our Company (respondent no. 48) filed a reply on September 14, 2009 submitting that PGCIL is seeking to pass over the service tax and other charges imposed by the Commissioner of Service Tax on the basis of the show cause notice received and prayed for the petition to be dismissed as being pre-mature and devoid of merits. The matter is still pending before the CERC.

ROC Cases

Pursuant to sub-clause (f) of clause (1) of sub-item (A) of Item (X) of Part A of Schedule VIII to the ICDR Regulations, please find below the details of past cases in which penalties were imposed by the ROC on our Company and its Directors:

1. Order dated August 29, 2001 in the company application (no. 25/621A/CLBA/CLB/WR/2001) directing the Company and four other directors namely Mr. R.K. Saraf, Mr. Naveen Jindal, Mr. Anand Goel and Mr. Sandeep Sharma, directing the Company to pay a sum of Rs 1,000 and other Directors a sum of Rs. 500 each for compounding the offence under section 621A of the Companies Act, for not conducting the AGM for the financial year 1999 as mandated by section 166, of the Companies Act.

2. Order dated August 29, 2001 in the company application (no. 25B/621A/CLBA/CLB/WR/2001) directing the Company and four other directors namely Mr. R.K. Saraf, Mr. Naveen Jindal, Mr. Anand Goel and Mr. Sandeep Sharma, directing the Company to pay a sum of Rs 1,000 and other Directors a sum of Rs. 500 each for compounding the offence under section 621A of the Companies Act, for not filing the balance sheet and the profit and loss account for the financial year 1999 with the ROC as mandated by section 220, of the Companies Act.

3. Order dated August 29, 2001 in the company application (no. 25C/621A/CLBA/CLB/WR/2001) directing the Company and four other directors namely Mr. R.K. Saraf, Mr. Naveen Jindal, Mr. Anand Goel and Mr. Sandeep Sharma, directing the Company to pay a sum of Rs 1,000 and other Directors a sum of Rs. 500 each for compounding the offence under section 621A of the Companies Act, for not filing the annual returns of the Company for the financial year 1999 as mandated by the sections 159/161, of the Companies Act.

FEMA

The Directorate of Enforcement, Foreign Exchange Management Act, Government of India though letter dated December 24, 2004 initiated an enquiry under the provisions of the Foreign Exchange Management Act, 1999 in relation to the joint venture entered into with and unsecured loan taken from M/s Genting Power Holding Limited, Malaysia in relation to the setting up of the 1,000 MW power plant in the state of Madhya Pradesh. The letter asked Jindal Strips Limited to furnish certain documents and information in relation to the joint development agreement signed with M/s Genting Power Holding Limited, Malaysia on May 3, 1996. Jindal Strips Limited was also required to furnish details and copies of permissions taken from RBI and FIPB with regard to the establishment of the joint venture company (Jindal Power Limited). Among other things, the Directorate of Enforcement inquired if any permission from the RBI was obtained before taking the unsecured loan of US$ 520,000 from M/s Genting Power Holding Limited and whether the said unsecured loan was repaid / refunded in any form including foreign currency convertible bonds along with full details of permission taken from the RBI for making such repayment / refund. The Directorate of Enforcement, further, through letters dated February 21, 2005, December 11, 2007, August 7, 2008 and June 15, 2009 asked our Company for additional documents/clarifications on the issue. Our Company has been replying to the queries of the Directorate of Enforcement. Our Company has contended that between 1994 -1998, for every action taken the Company has obtained due permission under FERA, wherever required. Our Company by its letter dated July 16, 2009 has contended that there has been no contravention of FERA and that the entire transaction and all development has been informed to the RBI and that the proceedings in this regard may be closed. Further the Company has also contended that the matter was raised by Enforcement Directorate after 4 years of commencement of FEMA and that as per the 'Sun Set Clause', no action is called for in the matter. The matter is currently pending.

Litigation by our Company

There are no cases filed by our Company.

Other matters whose outcome may have an adverse effect on the Company

Mr. Rajsekhar and another have filed a writ petition (WP No. 817/2006) against the State of Chhattisgarh in the High Court of Chhattisgarh challenging the constitutionality of the Chhattisgarh Land Revenue Code (Amendment) Act, 2005 ("**Amendment**") pursuant to which the provisions of section 165 (6-ee) of the Chhattisgarh Land Revenue Code Act, 1959 were deleted. The erstwhile section 165 (6-ee) of the Chhattisgarh Land Revenue Code Act, 1959, restricted the conversion of scheduled (tribal) land to non-agricultural land within 10 years of the date of any transfer. Mr. Rajsekhar and another also filed an application for grant of interim relief on April 25, 2006, praying for an order directing the State of Chhattisgarh not to permit the diversion of agricultural land in the

scheduled notified areas and further for restraining any persons from carrying out any construction / non-agricultural activities in the scheduled areas on the basis of orders passed by the revenue authorities permitting diversion of the land. By an interim order, the Chhattisgarh High Court has stated that land purchased in scheduled areas cannot be utilised for non-agricultural purposes for a period of 10 years from the date of purchase of the land. The matter is currently pending.

For further details, see "***Risk Factors — The implementation and operation of our power projects or mines may face opposition from local communities and other parties which may affect our results of operations and financial condition.***" on page xx.

II. Litigation involving our Subsidiaries and Joint Venture

There are no cases involving our Subsidiaries and Joint Venture.

III. Litigation involving our Directors

<u>Mr. Naveen Jindal</u>

In addition to the cases listed above, the litigation pertaining to Mr. Naveen Jindal are provided below.

1. Order dated August 29, 2001, in the company application (no. 25A/621A/CLBA/CLB/WR/2001) directing the four Directors of the Company namely Mr. R K Saraf, Mr. Naveen Jindal, Mr. Anand Goel and Mr. Sandeep Sharma, directing the Company to pay a sum of Rs. 500 each for compounding the offence under section 621A of the Companies Act, for not adopting the annual accounts of the Company for the financial year 1999 as mandated by the section 210, of the Companies Act.

2. Mr. Naveen Jindal has filed a suit (No. 157/2006) for declaration and injunction, against Mr. Suresh Kumar Singh and others, before the Civil Judge, Junior Division, Gautam Budh Nagar, in relation to sale deed dated September 28, 2005 in respect of land bearing khasra no. 473 situated at Asgarpur village in Dadri tehsil of Gautam Budh Nagar. The contention of Mr. Naveen Jindal is that Mr. P.R. Jindal, Mr. Rattan Jindal and he are the rightful owners of the above mentioned land pursuant to sale deed dated May 27, 1995. However, the defendants among themselves entered into a sale deed in respect of the same property pursuant to sale deed dated September 28, 2005 and got the same wrongfully registered. Mr. Naveen Jindal has prayed that the sale deed, which is also registered with the sub-registrar, be cancelled and a permanent injunction be issued restraining the defendants from interfering with the possession of the plaintiff. The matter is currently pending.

3. Mr. Naveen Jindal has filed a writ petition before the High Court of Judicature, Allahabad against the State of Uttar Pradesh and others, in relation to notification dated November 28, 2001 and February 26, 2002, issued by the State Government under Section 4 of the Land Acquisition Act, 1884, to acquire various plots in Sadarpur village of Dadri tehsil in Gautam Budh Nagar. Land held by Mr. Naveen Jindal bearing khasra nos. 538M, 583 and 590 were also included in the impugned notification. Further, on February 26, 2002, the Governor in exercise of his powers under Section 17(1) of the Land Acquisition Act, issued directions to the Collector, Gautam Budh Nagar to take possession of the land mentioned in the notifications issued by the State Government. Mr. Naveen Jindal has prayed that the impugned notifications dated November 28, 2001 and February 26, 2002 be quashed and the State Government be restrained from demolishing the building and taking over possession of property situated at khasra nos. 538M, 583 and 590 and from interfering with the peaceful possession of the plaintiff. Mr. Naveen Jindal had also filed a stay application for restraining the State Government from demolishing the building and taking over possession of the property situated at khasra nos. 538M, 583 and 590 during the pendency of the writ petition. The High Court of Judicature, Allahabad, vide order dated March 22, 2002, granted a stay on demolition of the building. The matter is currently pending.

4. Ms. Shail Bhalla has filed a suit (No. 262/2007) against Mr. Man Singh and others including Mr. Naveen Jindal, before the Civil Judge, Junior Division, Gautam Budh Nagar, in relation to sale deed dated July 31, 1998 in respect of part of the land bearing khasra no. 477 situated at Asgarpur village in Dadri tehsil of Gautam Budh Nagar. The plaintiff has contended that though the sale

deed was executed by Mr. Man Singh in favour of Mr. Naveen Jindal, Mr. Man Singh did not have the rightful power of attorney from her to sell the land. Ms. Shail Bhalla has prayed for, among other things, cancellation of the sale deed dated July 31, 1998 and for restraining the defendants from creating any third party right over the disputed land. The matter is currently pending.

5. Mr. Adesh Singhle has filed a suit (264/2007) against Mr. Man Singh and others including Mr. Naveen Jindal, before the Civil Judge, Junior Division, Gautam Budh Nagar, in relation to sale deed dated May 20, 1995 in respect of part of the land bearing khasra no. 471 situated at Asgarpur village in Dadri tehsil of Gautam Budh Nagar. The plaintiff has contended that though the sale deed was executed by Mr. Man Singh in favour of Mr. Naveen Jindal and others, Mr. Man Singh did not have the rightful power of attorney from him to sell the land. Mr. Adesh Singhle has prayed for, among other things, cancellation of the sale deed dated May 20, 1995 and for restraining the defendants from creating any third party right over the disputed land. The matter is currently pending.

6. Mr. Prahlad has filed a suit (282/2009) against Ms. Freyan Desai, Mr. Man Singh and others including Mr. Naveen Jindal, before the Civil Judge, Junior Division, Gautam Budh Nagar, in relation to sale deed dated June 23, 1990 in respect of part of the land bearing khasra no. 67 situated at Asgarpur village in Dadri tehsil of Gautam Budh Nagar. The plaintiff has contended that though the sale deed was executed by Mr. Man Singh in favour of Mr. Naveen Jindal and others, Mr. Man Singh did not have the rightful power of attorney from him to sell the land. Mr. Prahlad has prayed for, among other things, cancellation of the sale deed dated June 23, 1990 and for restraining the defendants from creating any third party right over the disputed land. The matter is currently pending.

7. Ms. Freyan Desai and others ("**Petitioners**") including Mr. Naveen Jindal filed an application for mutation before the Tehsildar, Gautam Budh Nagar, in relation to land bearing khasra no. 67 situated at Asgarpur village in Dadri tehsil of Gautam Budh Nagar, for recording their names in the mutation records on the basis of sale deed dated June 23, 1990 executed by Mr. Man Singh as the power of attorney holder of Mr. Jagan and Mr. Prahlad. By order dated July 1, 1992, the Tehsildar, Gautam Budh Nagar passed an order to enter the names of the petitioners in the mutation records. On July 28, 2008, Mr. Prahlad filed a restroration application along with an application for condonation of delay, praying therein to cancel the ex-parte order dated July 1, 1992 whereby the names of the petitioners were entered in the mutation records as sale deed was executed by Mr. Man Singh in favour of the petitioners without having the rightful power of attorney from him to sell the land. By order dated September 25, 2009, the application for condonation of delay was allowed. The matter is currently pending.

8. The Assistant Commissioner of Incomer Tax, Hissar pursuant to an assessment order and notice of demand dated March 30, 1995, for the assessment year 1992-1993, imposed a demand of Rs. 0.17 million, on account on treatment of certain capitals loss as 'long term capital loss' as against 'short term capital loss'. Further, the Assessing Officer was of the view that while working out capital gains from sale of shares, the cost of acquisition of the shares purchased earlier has to be determined by averaging and spreading the cost of acquisition of the original shares as well the bonus shares issued on them. Aggrieved by the said order, Mr. Naveen Jindal filed an appeal before the Commissioner of Income Tax (Appeal) Rohtak, on April 24, 1995. By order dated November 6, 1995, the Commissioner of Income Tax (Appeal) Rohtak allowed the appeal of Mr. Naveen Jindal and directed the Assessing Officer to compute capital gains afresh. Further, he also characterized the capital loss suffered by Mr. Naveen Jindal as 'short term capital loss'. Aggrieved by the said order, the Assistant Commissioner of Incomer Tax, Hissar, filed an appeal before the ITAT, New Delhi on March 29, 1996. By order dated June 28, 2001, the ITAT, New Delhi, allowed the appeal and held that the loss suffered by Mr. Naveen Jindal should be characterized as 'long term capital loss'. Aggrieved by the said order, Mr. Naveen Jindal filed an appeal before the High Court of Punjab and Haryana. By order dated August 11, 2005, the High Court of Punjab and Haryana, dismissed the appeal. Aggrieved by the same Mr. Naveen Jindal filed a special leave petition before the Supreme Court of India on December 14, 2005. The matter is currently pending.

9. The chief Administrator, Haryana Urban Development Authority (the "**HUDA**") has issued a letter (memo no. A-PHK-2008/UB-II/26107) dated July 21, 2008 against the State of Haryana and others

(the "**Respondents**"), permitting allotment of land in Gurgaon and Panchkula to the Members of State Legislation and the Members of the Parliament of Haryana, for the construction of houses/ flats subject to conditions imposed by the HUDA and State Government of Haryana. Subsequently, the Heral Cooperative Society, in public interest had filed a writ petition (no. 15405/2008) on August 28, 2008 before the High Court of Punjab and Haryana, Chandigarh praying for a writ of mandamus to restrain the Respondents from such allotment and a writ of certiorari for quashing the letter dated July 21, 2008 issued by HUDA.

Subsequently, Mr. Naveen Jindal, through a Notice of Motion dated November 9, 2009, has been impleaded as a Respondent in the present case. The matter is currently pending.

10. There are 11 writ petitions pending before the High Court of Chhattisgarh against the State of Chhattisgarh and Others ("**Respondents**"), wherein oustees have alleged *inter alia* a) that the purpose for which their property has been acquired under Land Acquisition Act of 1894 ("Act of 1894") is for industrial purposes of JSPL and not for public purposes; b) non observance of Part VII including sections 39, 40 of the Act of 1894 and Rules 4 and 6 of Land Acquisition (Companies) Rules whereby no declaration shall be made by the appropriate government unless report has been considered under Section 5A and agreement has been executed under Section 41 of the Act of 1894; c) notifications are issued by the authorities who are not vested with such powers; d) for issuing ambiguous notifications; e) violation of Section 44B of the Act of 1894 which mandates the acquisition of land for the purposes under section 40 for a private company which is not a government company. The oustees have prayed for *inter alia* a) writ of Certiorari quashing the impugned notifications under section 4 and 6 of the Act of 1894 and the entire land acquisition proceedings; b) call for the entire records leading to the passing of the impugned notification; c) to provide with the cost of petition. Subsequently, the High Court issued interim orders restraining the Respondents to interfere with the possession of the land. Matter is currently pending. However, in one of the cases (6951 of 2006), the petition had been filed due to deliberate disobedience of the interim order passed by the court in writ petition No. 6591 of 2006 by Naveen Jindal and others ("**Contemners**"). Further, in (6951 of 2006), Padam Kumar Patel, ("**Petitioner**") a native agriculturist, prayed that the Court passed an order awarding punishment to the Contemners. In this case, the High Court of Chhattisgarh, Bilaspur bench, had passed the order (no. 6951 of 2006) dated May 14, 2008, dismissing the writ petition on the grounds of delay and lashes ("**Impugned Order**"). Subsequently, Mr. Tej Kumar Patel and Others ("**Appellants**") filed a writ appeal (108/2008) dated May 19, 2008, inter alia for a) quashing the Impugned Order; b) because an interim order dated October 6, 2006 was passed to maintain *status quo*; and c) that the High Court failed to appreciate the fact that the land acquisition proceedings can be challenged only under writ jurisdiction. JSPL has to file its reply to the High Court of Chhattisgarh, Bilaspur bench. The matter is currently pending.

11. M/s S.S. Roadlines has filed a suit for declaration and permanent injunction (2/2009) against Mr. Naveen Jindal and others in the court of Civil Judge, Junior Division, Bonai, seeking the declaration that the termination letter dated August 28, 2009, terminating the contract awarded to the M/s S.S. Roadlines for transportation activities in mining areas, be declared null and void. Further, M/s S.S. Roadlines, *inter alia*, has also prayed that the defendants be injuncted from awarding the contract to defendant no. 3 and that a direction be passed allowing the plaintiff to continue its work as per the contract and the extended work order. M/s S.S. Roadlines has also filed an application for ad interim order and ex parte injunction praying that the court restrain the defendants from awarding the contract to any other party and especially to defendant no. 3 and that M/s S.S. Roadlines be allowed to continue its work in lieu of the work order.

Mr. Ashok Kumar Basu

1. The Commissioner of Customs (Preventive), New Delhi, issued a show cause notice in September 2008, asking Dove Airlines Private Limited, Usha Martin Limited, its other joint venture partners and all the directors of these companies, to show cause in relation to alleged non payment of customs duty on the import of an aircraft for rendering charter services by Dove Airlines Private Limited, a joint venture company of Usha Martin Limited. The replies to the said show cause notice were filed in November 2008. The matter is currently pending.

Mr. Pradeep Kumar Tripathi

1. A show cause notice dated April 17, 2009, was received from the Registrar of Companies under sections 159, 166, 210(3) and 220 of the Companies Act, by DGS Realtors Private Limited, on the board of which Mr. Tripathi is a director, for non filing of balance sheet and annual return for the year 2007-08.

2. M/s B.T. Computer Graphics Private Limited filed a complaint in the court of the Chief Metropolitan Magistrate, New Delhi (970/1999) against M/s Krislon Systems, Mr. Gopinath Pillai, in his capacity as the chairman of Edutech Informatics India Limited, and Mr. P.K. Tripathi in his capacity as the managing director and chief executive officer of Edutech Informatics India Limited, and others, for alleged offences under sections 417 and 420 of the Indian Penal Code. The complaint was related to matters arising out of the complainant becoming a franchisee in 1996 of Informatics Holdings, Singapore, through their Indian representative, M/s Krislon Systems and to the alleged non performance of obligations by M/s Krislon Systems and Informatics Holdings, Singapore. Edutech Informatics India Limited, Mr. Gopinath Pillai and Mr. P.K. Tripathi were parties to the case as they had inherited the India franchise rights of Informatics Holdings, Singapore from M/s Krislon Systems and the complainant had in 1999 signed a separate supplemental agreement with Edutech Informatics India Limited. The Metropolitan Magistrate issued summons/process on June 26, 2002 against which a petition under section 482 of the Code of Criminal Procedure was filed to quash the summons and the complaint. The proceedings have been currently stayed by the High Court of Delhi. The matter is currently pending.

IV. Litigation involving our Promoters

JSPL, Gagan Infraenergy and Opelina are the Promoters of our Company.

1. JSPL

Statutory Notice

JSPL received a notice from RoC, NCT of Delhi & Haryana, brief details of which are set forth below.

The RoC, NCT of Delhi & Haryana, has issued three orders dated October 22, 2002, October 16, 2003 and December 28, 2004 to JSPL, seeking information and explanations with respect to JSPL's financial statements as at March 31, 2002. These requests primarily relate to compliance with certain requirements of the Companies Act including, inter alia, sections 154(1), 81(1A), 292A, 217(2A), 418, 58A, 211 and 301 of the Companies Act and AS-2, AS-9 and AS-11 issued by Institute of Chartered Accountants of India. JSPL has replied to these orders. However, the Company Law Board pursuant to its orders dated June 14, 2006 compounded the offence committed by JSPL under sections 418(4), 211(3A) and (3B) of the Companies Act on payment of requisite fine by JSPL and its directors.

Legal Proceedings

Raigarh

Excise matters

Litigation against JSPL

1. The Additional Commissioner, Central Excise, Raipur by order dated January 19, 2004, disallowed JSPL's claim for CENVAT credit of Rs. 3.01 million availed on explosives during August 2002 to March 2003 on the ground that explosives do not fall under the term 'inputs' as they are used in the mines outside the factory premises. Aggrieved by the said order JSPL filed an appeal dated March 20, 2004 before the Commissioner (Appeals) I, Central Excise & Customs, Raipur. The Commissioner (Appeals) I, Central Excise & Customs, Raipur, by order dated June 29, 2004 allowed the appeal thereby allowing JSPL to avail CENVAT credit on explosives and like materials used in mines for production of coal which is used in manufacture of sponge iron and steel in JSPL's factory. Aggrieved by the said order, the Additional Commissioner of Central Excise, Raipur, on October 6, 2004 filed an appeal before the Custom, Excise and Service Tax

Appellate Tribunal ("**CESTAT**"), New Delhi, praying for setting aside the order of the Commissioner (Appeals) I, Central Excise & Customs, Raipur. The CESTAT, New Delhi vide order dated April 4, 2005 allowed the appeal of the Additional Commissioner of Central Excise, Raipur, on the ground that since inputs are not being used in the factory of production, JSPL is not entitled to the benefit of CENVAT credit. On October 28, 2005, JSPL filed an appeal before the High Court of Chhattisgarh against the order of the CESTAT, New Delhi. The matter is currently pending.

2. The Assistant Commissioner, Customs, Central Excise & Service Tax, Bilaspur issued a show cause notice dated August 31, 2009 asking JSPL to show cause as to why refund claim of JSPL amounting to Rs. 1.30 million should not be rejected as the claim is hit by limitation of time as all the necessary documents have not been submitted by JSPL within the period and it also fails to satisfy the necessary conditions relating to proof of service tax payments. JSPL has replied to the said show cause notice on November 24, 2009.

3. JSPL filed an application dated September 11, 2000 before the Commissioner, Central Excise & Customs, Raipur, for deducting the quantity of 1,064.21 MT of sponge iron, which was destroyed due to a fire in the dispatch hopper on June 2, 2000, from JSPL's daily stock account so that no demand of duty on the said quantity is raised in the future. Commissioner Central Excise & Customs, Raipur, vide order dated July 20, 2001, accorded permission to deduct 690.46 MT of sponge iron from JSPL's finished goods stock accounts thereby allowing a remission of excise duty amounting to Rs. 0.64 million, with the condition that JSPL pay an amount of Rs. 0.35 million on the balance quantity of 373.75 MT of sponge iron not considered fit for remission of duty. Aggrieved by the said order, JSPL filed an appeal before the CESTAT, New Delhi, on October 15, 2001. The CESTAT, New Delhi, vide order dated December 6, 2001 set aside the order of the Commissioner, Central Excise & Customs, Raipur by way of remand and further remanded the matter to the Commissioner, Central Excise & Customs, Raipur for fresh adjudication. The matter is currently pending.

4. The Additional Commissioner, Central Excise & Customs, Raipur issued two separate show cause notices dated November 2, 2004 and April 19, 2005, asking JSPL to show cause as to why CENVAT credit amounting to Rs. 2.53 million and Rs. 3.56 million, respectively, should not disallowed and recovered, along with interest and penalty, from them under rule 12 of the CENVAT Credit Rules, 2002, on the ground that explosives are not inputs that are used in JSPL's factory for the manufacture of excisable goods and therefore are ineligible for CENVAT credit. JSPL replied to the said show cause notices through letters dated December 10, 2004 and June 14, 2005. The Additional Commissioner, Central Excise & Customs, Raipur through a common order dated July 8, 2005, ordered the disallowance and recovery of CENVAT credit of Rs. 2.53 million availed by JSPL during October 2003 to March 2004 and Rs. 3.56 million during April 2004 to December 2004, respectively, along with interest. JSPL filed an appeal before the Commissioner (Appeals), Central Excise & Customs, on September 10, 2005. The Commissioner (Appeals), Central Excise & Customs on November 9, 2005, held that JSPL was not eligible for credit on explosives under the CENVAT rules. Aggrieved by the said order, JSPL filed an appeal before the CESTAT, New Delhi, on January 28, 2006. Additionally, the Commissioner, Central Excise & Customs, Raipur, has also filed an appeal before CESTAT, New Delhi, on January 24, 2006, praying for recovery of interest on the amount of CENVAT credit. By an order dated September 29, 2009, the CESTAT remanded the matter to the Commissioner (Appeals), Central Excise & Customs, Raipur. The matter is currently pending.

5. The Additional Commissioner, Central Excise & Customs, Raipur, issued three show cause notices dated February 13, 2004, October 18, 2004 and April 19, 2005, respectively, asking JSPL to show cause as to why CENVAT credit amounting to Rs. 4.00 million, Rs. 0.72 million and Rs. 1.10 million, respectively, along with interest and penalty, for the periods February 2003, March 2003 and September 2003, October 2003 to March 2004 and April 2004 to December 2004, respectively, on railway track materials and another allied goods on the ground that the said materials have not been used in or in relation to manufacture of final products by JSPL and hence do not come under the definition of 'inputs'. JSPL replied to the above notices by letters dated May 15, 2004, March 31, 2005 and June 27, 2005, respectively. The Additional Commissioner Central Excise & Customs, Raipur through a common order dated February 20, 2006 disallowed the CENVAT credit and further ordered recovery of interest and imposition of penalty of Rs. 1.45

million. JSPL filed an appeal before the Commissioner (Appeals), Central Excise, Raipur, on April 25, 2006. The Commissioner (Appeals), Central Excise, Raipur, vide order dated June 22, 2006 upheld the order issued by the Additional Commissioner Central Excise & Customs, Raipur, except for the imposition of penalty. Aggrieved by the said order JSPL filed an appeal on September 11, 2006 before the CESTAT, New Delhi, along with a stay application. By an order dated November 10, 2006, the CESTAT, New Delhi, ordered waiver of the pre-deposit duty. The matter is currently pending.

6. The Assistant Commissioner, Central Excise & Customs, Bilaspur, issued a show cause notice dated October 10, 2005, asking JSPL to show cause as to why CENVAT credit and education cess amounting to Rs. 0.05 million, along with interest and penalty should not be recovered on account of CENVAT credit availed on Jumbo electric High Fixed Front Suspension Platform fitted with batteries and accessories for the period November to December 2004. JSPL replied to the said show cause notice on November 23, 2005. The Assistant Commissioner, Central Excise & Customs, Bilaspur, vide order dated November 30, 2005, disallowed the CENVAT credit and further ordered recovery of interest and imposition of penalty. Aggrieved by the said order JSPL filed an appeal on February 2, 2006 before the Commissioner (Appeals), Central Excise, Raipur. The Commissioner (Appeals), Central Excise, Raipur, vide order dated March 20, 2006 upheld the order of the Assistant Commissioner, Central Excise & Customs, Bilaspur, except the imposition of penalty. JSPL filed an appeal before the CESTAT, New Delhi, on June 16, 2006, along with a stay application. The CESTAT, New Delhi, vide order dated July 20, 2006 directed JSPL to deposit an amount of Rs. 0.03 million as pre deposit and waived the balance pre deposit amount and penalty. The matter is currently pending.

7. The Assistant Commissioner, Central Excise & Customs, Bilaspur, issued a show cause notice dated April 10, 2006 asking JSPL to show cause as to why JSPL's refund claim of Rs. 0.10 million should not be disallowed. The refund claim was filed by JSPL on account of payment of duty on granulated slag which was not dutiable as per the order of the Hon'ble Supreme Court of India. JSPL replied to the said show cause notice on May 12, 2006. However, the Assistant Commissioner, Central Excise & Customs, Bilaspur, by order dated June 2, 2006 rejected the refund claim. JSPL filed an appeal before the Commissioner (Appeals), Central Excise, Raipur on July 26, 2006. The Commissioner (Appeals), Central Excise, Raipur dismissed the appeal on August 31, 2006 and upheld the order of the Assistant Commissioner, Central Excise & Customs, Bilaspur. Aggrieved by the said order JSPL filed an appeal before the CESTAT, New Delhi on November 24, 2006. On May 12, 2009, CESTAT, New Delhi, allowed the appeal by way of remand. The matter is currently pending.

8. The Additional Commissioner, Central Excise & Customs, Raipur, issued a show cause notice on December 30, 2003, asking JSPL to show cause as to why CENVAT credit amounting to Rs. 2.30 million should not be demanded and recovered, along with interest and penalty, on hot metal transport vehicle, Jumbo Electric Platform Truck, Trailer assembly for oil storage tank and ladle transfer car, in January 2003 and March to July 2003. JSPL replied to the show cause notice on April 5, 2004. The Additional Commissioner Central Excise & Customs, Raipur vide order dated February 28, 2006 disallowed the CENVAT credit of Rs. 2.30 million, ordered recovery along with interest and further imposed a penalty of Rs. 1.00 million. JSPL filed an appeal before the Commissioner (Appeals), Central Excise, Raipur, on May 3, 2006. The Commissioner (Appeals), Central Excise, Raipur, on June 15, 2006, dismissed the appeal and upheld the order of the Additional Commissioner, Central Excise & Customs, Raipur, except imposition of the penalty. Aggrieved by the said order JSPL filed an appeal and stay application before the CESTAT, New Delhi, on September 11, 2006. By an order dated November 1, 2006, the CESTAT, New Delhi, ordered waiver of the pre-deposit duty. The matter is currently pending.

9. The Additional Commissioner, Central Excise & Customs, Raipur, issued a show cause notice on September 14, 2004, asking JSPL to show cause as to why CENVAT duty amounting to Rs. 4.13 million should not be recovered from JSPL, along with interest and penalty on account of removal of certain goods such as conveyor belt, bearing block and conveyor roller. JSPL replied to the said show cause notice on November 10, 2004. The Additional Commissioner, Central Excise & Customs, Raipur, vide order dated March 31, 2006 confirmed recovery of the CENVAT duty amounting to Rs. 4.13 million along with interest and also imposed a penalty of Rs. 1.00 million and Rs. 4.13 million. JSPL filed an appeal before the Commissioner (Appeals), Central Excise,

Raipur, on June 9, 2006. The Commissioner (Appeals), Central Excise, Raipur, through an interim order dated June 29, 2006, asked JSPL to deposit Rs. 2.00 million as pre deposit. The Commissioner (Appeals), Central Excise, Raipur, on August 30, 2006, dismissed the appeal and upheld the order of the Additional Commissioner Central Excise & Customs, Raipur, and asked the pre deposit amount to be adjusted. Aggrieved by the said order, JSPL filed an appeal before the CESTAT, New Delhi, on November 21, 2006 along with a stay application. The CESTAT, New Delhi, vide order dated December 26, 2006, waived any further pre deposit. The matter is currently pending.

10. The Additional Director, Director General of Central Excise Intelligence, Mumbai issued a show cause notice dated March 17, 2008 asking JSPL to show cause as to why Central Excise Duty of Rs. 0.91 million short paid of certain good removed for captive consumption during April 1, 2005 to June 6, 2005, should not be recovered along with interest and penalty. JSPL replied to the said show cause notice on July 12, 2008. The Additional Commissioner, Central Excise & Customs, Raipur vide order dated January 15, 2009, confirmed the demand amounting to Rs. 0.91 million and ordered recovery of interest and imposed penalty of Rs. 0.20 million. JSPL filed an appeal before the Commissioner (Appeals), Central Excise, Raipur, on March 18, 2009. The matter is currently pending.

11. The Additional Commissioner, Central Excise & Customs, Raipur issued a show cause notice dated May 5, 2009 asking JSPL to show cause as to why CENVAT credit availed on items which cannot be considered as input amounting to Rs. 0.14 million, should not be recovered along with interest and penalty, for the period from April 2008 to September 2008. Further, JSPL has also been asked to show cause as to why 50% excess availment of CENVAT credit on refractory material, for the period from April 2008 to September 2008, amounting to Rs. 1.74 million should not be recovered along with interest and penalty as the goods on which CENVAT credit has been availed as inputs are actually capital goods. Additionally, JSPL has also been asked to show cause as to why interest on reversal of CENVAT credit amounting to Rs. 2.55 million should not be recovered for the period from April 2008 to September 2008, along with interest and penalty. JSPL replied to the said show cause notice on August 12, 2009. The matter is currently pending.

12. The Additional Commissioner, Central Excise & Customs, Raipur issued a show cause notice dated January 20, 2009 asking JSPL to show cause as to why CENVAT credit availed on items which cannot be considered as input amounting to Rs. 0.59 million, should not be recovered along with interest and penalty, for the period from October 2007 to December 2007 and January 2008 to March 2008. Further, JSPL has also been asked to show cause as to why 50% excess availment of CENVAT credit on refractory material, for the period from January 2008 to March 2008, amounting to Rs. 0.62 million should not be recovered along with interest and penalty as the goods on which CENVAT credit has been availed as inputs are actually capital goods. Additionally, JSPL has also been asked to show cause as to why interest on reversal of CENVAT credit amounting to Rs. 1.02 million should not be recovered for the period from January 2008 to March 2008, along with interest and penalty. JSPL replied to the said show cause notice on March 30, 2009. The matter is currently pending.

13. The Commissioner, Central Excise & Customs, Raipur issued a show cause notice dated August 4, 2009 asking JSPL to show cause as to why Central Excise Duty amounting to Rs. 32.28 million should not be recovered and alleging that JSPL has not included the cost of packing materials in the assessable value of sponge iron consumed captively as also cleared finished products for captive consumption and/or to their sister concern without addition the profit element during fiscal 2005, 2006, 2007. Further, JSPL has also been asked to show cause as to why Central Excise Duty of Rs. 21.85 million, which appears to have been short paid by JSPL due to undervaluation of excisable goods manufactured and captivity consumed or cleared to their sister concerns should not be recovered. The matter is currently pending.

14. The Commissioner, Central Excise & Customs, Raipur issued a show cause notice dated March 31, 2009 asking JSPL to show cause as to why an amount equivalent to 10% of the value of the exempted goods sold/cleared amounting to Rs. 536.68 million, along with interest and penalty, should not be recovered on the ground that JSPL has availed CENVAT credit on inputs as well as input services which are used for manufacture of both excisable goods and exempted goods without maintaining separate records of inventory of such inputs and input services as required

under rule 6(3)(b) the CENVAT Credit Rules 2004. JSPL replied to the said show cause notice on June 16, 2009. The matter is currently pending.

15. The Commissioner, Central Excise & Customs, Raipur, issued a show cause notice dated October 3, 2008 asking JSPL to show cause as to why CENVAT credit amounting to Rs. 19.06 million wrong availed by them should not be disallowed and recovered along with interest and penalty on the ground that the bills of entry on which CENVAT credit has been taken are deficient. JSPL replied to the said show cause notice on January 22, 2009. The matter is currently pending.

16. The Assistant Commissioner, Central Excise & Customs, Bilaspur, issued a show cause notice dated June 9, 2009, asking JSPL to show cause as to why refund of Rs. 0.54 million, for the quarter ending September 2008, should not be rejected as the documents on the basis of which the refund is claimed are deficient. JSPL filed its reply to the said show cause notice on July 25, 2009. By an order dated November 26, 2009, the Assistant Commissioner, Central Excise & Customs, Bilaspur, rejected JSPL's claim for refund. JSPL is in the process of filing an appeal.

17. The Assistant Commissioner, Central Excise & Customs, Bilaspur, issued a show cause notice dated April 30, 2007 asking JSPL to show cause as to why CENVAT duty amounting to Rs. 0.14 million should not be recovered along with interest on the ground that JSPL has failed to produce proof of export in respect of certain goods exported within the stipulated period of 6 months. JSPL replied to the said show cause notice on June 15, 2007. The Assistant Commissioner, Central Excise & Customs, Bilaspur vide order dated February 13, 2008, confirmed the demand and ordered to recover Rs. 0.14 million from JSPL along with interest. JSPL filed an appeal before the Commissioner (Appeals) I, Central Excise & Customs, Raipur, along with stay application on April 8, 2008. The Commissioner (Appeals) I, Central Excise & Customs, Raipur, vide his order dated July 14, 2008, upheld the order passed by the Assistant Commissioner, Central Excise & Customs, Bilaspur. JSPL filed an appeal before the CESTAT, New Delhi, on September 22, 2008 along with stay application. The CESTAT, New Delhi, vide order dated January 23, 2009 advised JSPL to seek remedy before the appropriate forum. Accordingly, JSPL filed an appeal before the Joint Secretary, Ministry of Finance, Government of India, on February 9, 2009. The matter is currently pending.

18. The Assistant Commissioner, Central Excise & Customs, Bilaspur, issued a show cause notice dated February 11, 2009 asking JSPL to show cause as to why the claim of refund of Rs. 1.12 million should not be rejected on the fact that JSPL removed 2,520 MT of sponge iron fines from their factory for export to Nepal. On the way the goods train met with an accident causing loss of 367.35 MT of sponge iron fines. As per directions of the excise authority, JSPL paid the duty on the value of the consignment as already assessed. JSPL claimed that assessable value should only be considered on the basis of consideration received from the customer and as in this case JSPL did not receive any consideration from the customer on 367.35 MT, the goods were ineligible for the calculation of excise duty. The above claim was rejected by the Assistant Commissioner Central Excise & Customs, Bilaspur, vide order dated August 25, 2009. JSPL has filed an appeal on October 21, 2009 before Appellate Commissioner, Central Excise, Raipur. The matter is currently pending.

19. The Assistant Commissioner, Central Excise & Customs, Bilaspur, issued a show cause notice dated April 15, 2009, asking JSPL to show cause as to why the refund of Rs. 1.55 million on service tax against export for quarter ending June 2008 should not be rejected on the ground of certain discrepancies in the documents for which the refund claim was made. JSPL replied to the said show cause notice on June 19, 2009. However, by an order dated November 16, 2009, the Assistant Commissioner, Central Excise & Customs, Bilaspur, rejected JSPL's claim for refund. JSPL is in the process of filing an appeal.

20. The Assistant Commissioner, Central Excise & Customs, Raxaul, issued a show cause notice dated September 11, 2008, asking JSPL to show cause as to why their refund claim of Rs. 7.47 million should not be denied on the ground that the date of the bill of export was May 27, 2008 and export duty had come into effect on May 10, 2008 and it was immaterial if the goods had been cleared from JSPL's factory on April 27, 2008. The matter is currently pending.

21. The Assistant Commissioner, Central Excise & Customs, Bilaspur, issued a show cause notice dated October 3, 1994, asking JSPL to show cause as to why the products as described by JSPL should not be classified under chapter heading 7309 or 7310 of Central Excise Tariff Act instead of chapter heading 8428 as claimed by JSPL. JSPL replied to the said show cause notice on November 2, 1994. The matter is currently pending.

22. The Assistant Commissioner, Central Excise & Customs, Bilaspur, issued a show cause notice dated May 15, 2006, asking JSPL as to why the refund claim of Rs. 3.81 million which has been sanctioned to JSPL, should not be recovered as the same was erroneously refunded vide order dated May 2, 2006. JSPL replied to the said show cause notice on July 15, 2006. The matter is currently pending.

23. The Assistant Commissioner of Customs, Kolkata, issued a show cause notice in 2007 asking JSPL to show cause as to why an amount of Rs. 5.08 million should not recovered along with interest as JSPL did not submit the end use certificate in relation to certain import consignments. JSPL replied to the said show cause notice on January 28, 2008. The matter is currently pending.

24. The Assistant Commissioner of Customs, Kolkata, issued a show cause notice dated December 24, 2007 asking JSPL to show cause as to why an amount of Rs. 0.11 million should not recovered along with interest as JSPL did not submit the end use certificate in relation to import of parts of spectrometer. JSPL replied to the said show cause notice on January 28, 2008. The matter is currently pending.

25. The Assistant Commissioner, Central Excise & Customs, Bilaspur, issued a show cause notice dated March 14, 2008 asking JSPL to show cause as to why the refund of Rs. 0.13 million, which has been sanctioned to JSPL, should not be recovered as the same was erroneously refunded vide order dated September 10, 2007. JSPL replied to the said show cause notice on May 6, 2008. The matter is currently pending.

26. The Assistant Commissioner, Central Excise & Customs, Bilaspur, issued a show cause notice dated May 1, 2008, asking JSPL to show cause as to why penalty under rule 25 read with rule 27 of the Central Excise Rules, 2002, should not be recovered as JSPL has failed to submit proof of export within 6 months of export in relation to ARE-1 No.117/03-04 dated January 12, 2004, which involves non payment of duty amounting to Rs. 0.14 million. The matter is currently pending.

27. The Assistant Commissioner, Central Excise & Customs, Bilaspur, issued a show cause notice dated March 14, 2007, asking JSPL to show cause as to why the refund claim of Rs. 0.50 million, on reversal of CENVAT credit on water treatment chemicals that contributed towards generation and sale of power in the year 2004-05, should not be rejected as the same did not contribute towards the manufacture of excisable goods in JSPL's factory. JSPL replied to the said show cause notice on April 7, 2007. The Assistant Commissioner, Central Excise & Customs, Bilaspur, vide order dated June 27, 2007, rejected the refund claim. JSPL appealed to the Commissioner (Appeals), Central Excise & Customs, Raipur, on August 21, 2007. The Commissioner (Appeals), Central Excise & Customs, Raipur, vide order dated October 15, 2007, upheld the order passed by the Assistant Commissioner Central Excise & Customs, Bilaspur. Aggrieved by the said order, JSPL filed an appeal before the CESTAT, New Delhi, on December 26, 2007. The matter is currently pending.

28. The Commissioner, Central Excise & Customs, Raipur, issued a show cause notice dated March 8, 2007, asking JSPL to show cause as to why, for the period January 2005 to September 2006, (i) CENVAT credit wrongly availed on non-specified capital goods amounting to Rs. 0.24 million and education cess of Rs. 4,854 should not be disallowed and recovered along with interest and penalty; (ii) CENVAT credit availed on items which cannot be considered as input amounting to Rs. 16.82 million and education cess of Rs. 0.27 million should not be disallowed and recovered along with interest and penalty; (iii) 50% excess availment of CENVAT credit availed on refractory materials amounting to Rs. 4.12 million and education cess of Rs. 0.08 million should not be disallowed and recovered along with interest and penalty; (iv) as to why the interest on differential duty on supplementary invoices amounting to Rs. 0.76 million and education cess of Rs. 0.01 million should not be recovered along with interest and penalty; (v) as to why the interest

on reversal of CENVAT credit amounting to Rs. 18.84 million and education cess of Rs. 0.17 million should not be recovered along with interest and penalty. JSPL replied to the said show cause notice on May 31, 2007. The Commissioner, Central Excise & Customs, Raipur, vide order dated October 25, 2007, disallowed and ordered for recovery of CENVAT credit of Rs. 1.06 million and education cess of Rs. 0.02 million, along with interest, and further imposed a penalty of Rs. 0.01 million. Further, the Commissioner, Central Excise & Customs, Raipur, ordered the recovery of interest on differential duty paid on supplementary invoices. Aggrieved by the said order, JSPL filed an appeal on January 22, 2008 before the CESTAT, New Delhi, along with stay application. The CESTAT, New Delhi, vide order dated March 20, 2008 allowed the stay application unconditionally. The matter is currently pending.

29. The Commissioner, Central Excise & Customs, Raipur, issued a show cause notice dated October 18, 2007, asking JSPL to show cause as to why, for the period October 2006 to February 2007, (i) CENVAT credit wrongly availed on non-specified capital goods amounting to Rs. 0.09 million and education cess of Rs. 1,864 should not be disallowed and recovered along with interest; (ii) CENVAT credit availed on items which cannot be considered as input amounting to Rs. 6.35 million and education cess of Rs. 0.13 million should not be disallowed and recovered along with interest and penalty; (iii) 50% excess availment of CENVAT credit availed on refractory materials amounting to Rs. 1.50 million and education cess of Rs. 0.03 million should not be disallowed and recovered along with interest and penalty; (iv) as to why the interest on differential duty on supplementary invoices amounting to Rs. 5,059 and education cess of Rs. 101 should not be recovered along with interest and penalty; (v) as to why the interest on reversal of CENVAT credit amounting to Rs. 0.99 million and education cess of Rs. 0.02 million should not be recovered along with interest and penalty. JSPL replied to the said show cause notice on January 30, 2008. The Commissioner, Central Excise & Customs, Raipur, vide order dated April 30, 2008, disallowed and ordered for recovery of CENVAT duty of Rs. 7.93 million and education cess of Rs. 0.16 million, along with interest, and further imposed a penalty of Rs. 0.01 million. Further, the Commissioner, Central Excise & Customs, Raipur, ordered the recovery of interest on differential duty paid on supplementary invoices. Aggrieved by the said order, JSPL filed an appeal on July 25, 2008, before the CESTAT, New Delhi, along with stay application. The CESTAT, New Delhi, vide order dated September 3, 2008, ordered JSPL to deposit Rs. 0.80 million and waived the remaining pre deposit. The matter is currently pending.

30. The Additional Commissioner Central Excise & Customs, Raipur, issued a show cause notice dated October 27, 2008, asking JSPL to show cause as to why, for the period October 2007 to December 2007, (i) CENVAT credit availed on items which cannot be considered as input amounting to Rs. 2.84 million should not be disallowed and recovered along with interest and penalty; (ii) 50% excess availment of CENVAT credit availed on refractory materials, amounting to Rs. 0.80 million should not be disallowed and recovered along with interest and penalty; (iii) as to why the interest on differential duty on supplementary invoices, amounting to Rs. 0.46 million should not be recovered along with interest and penalty; (iv) as to why the interest on reversal of CENVAT credit, amounting to Rs. 0.24 million should not be recovered along with interest and penalty. JSPL replied to the said show cause notice on January 31, 2009. The matter is currently pending.

31. The Commissioner, Central Excise & Customs, Raipur, issued a show cause notice dated April 3, 2008, asking JSPL to show cause as to why, for fiscal 2006 and 2007, (i) duty amounting to Rs. 759.67 million, should not be recovered along with interest and penalty; and (ii) CENVAT credit on service tax paid on various services used in relation to generation and sale of iron ore fines should not be recovered. JSPL replied to the said show cause notice on May 21, 2008. The Commissioner, Central Excise & Customs, Raipur, vide order dated October 20, 2008, ordered for recovery of an amount of Rs. 759.67 million along with interest and further imposed a penalty of Rs. 759.67 million. JSPL filed an appeal and stay application before the CESTAT, New Delhi, on January 12, 2009. By an interim order dated April 1, 2009, the CESTAT, New Delhi, advised the respective parties to mutually ascertain the amount of CENVAT credit required to be reversed and to ascertain the attributable duty component of the inputs used in generation of electricity not used for manufacturing activities and also in relation to coal tar and iron ore fine that is arising in the course of manufacture. JSPL vide letter dated June 30, 2009, to the Superintendent, Central Excise Raigarh, communicated reversal of CENVAT credit of Rs. 2.57 million and Rs. 5.12 million,

respectively for fiscal 2006 and 2007. The matter is currently pending before the CESTAT, New Delhi.

32. The Assistant Commissioner, Central Excise & Customs, Bilaspur, issued a show cause notice dated February 13, 2008, as to why the claim of refund for 0.21 million should not be rejected on the ground of being time barred. JSPL replied to the said show cause notice on March 31, 2008. The Assistant Commissioner Central Excise & Customs, Bilaspur, vide order dated May 27, 2008, rejected the refund claim. JSPL filed an appeal before the Commissioner (Appeals), Central Excise & Customs, Raipur, on July 24, 2008. The Commissioner (Appeals), Central Excise & Customs, Raipur, vide order dated September 19, 2008, upheld the order passed by the Assistant Commissioner, Central Excise & Customs, Bilaspur. Aggrieved by the said order, JSPL filed an appeal before the CESTAT, New Delhi, on December 20, 2008. The matter is currently pending.

33. The Assistant Commissioner, Central Excise & Customs, Bilaspur, issued a show cause notice dated October 31, 2007, asking JSPL to show cause as to why the proposed amendment in the ground plan of JSPL's factory at Raigarh should not be rejected, the order to obtain separate registration for separate premises should not be issued and why any consequential statutory benefits arising out of the revised ground plan should not be denied. JSPL replied to the said show cause notice on January 2, 2008. The Assistant Commissioner Central Excise & Customs, Bilaspur, vide order dated May 1, 2008, rejected the proposed amendment in the ground plan and further advised separate registration for the proposed cement and power plants. Further, the claim for all the consequential statutory benefits arising out of the proposed amendment was also rejected. JSPL filed an appeal before the Commissioner (Appeals), Central Excise & Customs, Raipur, on June 12, 2008. The Commissioner (Appeals), Central Excise & Customs, Raipur, vide order dated July 14, 2008, dismissed the appeal filed by JSPL. Aggrieved by the said order, JSPL filed an appeal before the CESTAT, New Delhi, on October 20, 2008 along with stay application. On December 12, 2008, the CESTAT, New Delhi, dismissed the stay application as withdrawn. The matter is currently pending.

34. The Additional Commissioner, Central Excise & Customs, Raipur, issued a show cause notice dated January 31, 2007, asking JSPL to show cause as to why CENVAT credit for the period March 2006 to October 2006, amounting to Rs. 1.09 million should not be disallowed and recovered along with interest and penalty. JSPL replied to the said show cause notice on March 20, 2007. The Additional Commissioner Central Excise & Customs, Raipur, in his order dated August 27, 2007 disallowed the amount and ordered for recovery of the same along with interest and imposed a penalty of Rs. 0.25 million. JSPL filed an appeal before the Commissioner (Appeals I) Central Excise & Customs, Raipur, on November 20, 2007. The Commissioner (Appeals I) Central Excise & Customs, Raipur, vide his order dated January 23, 2008, allowed the CENVAT credit on telephone service and insurance and confirmed disallowance of CENVAT credit of Rs. 0.20 million and education cess of Rs. 4,164 and ordered recovery of the same along with interest. He further reduced the penalty amount to Rs. 0.02 million. Aggrieved by the said order, JSPL filed an appeal before the CESTAT, New Delhi, on April 29, 2008. The matter is currently pending.

35. The Superintendent, Central Excise, Raigarh, issued a show cause notice on October 5, 1998, asking JSPL to show cause as to why the amount of service tax on goods transport operator service from January 1, 1998 to June 1, 1998, along with interest, should not be recovered. The Superintendent, Central Excise, Raigarh, issued an addendum dated May 12, 2001, in which demand of service tax was quantified to Rs. 3.03 million. By a corrigendum issued on May 25, 2001, the Superintendent, Central Excise, Raigarh, asked JSPL to show cause as to why service tax amounting to Rs. 4.04 million on Goods Transport Operator Service for the period February 1, 1998 to June 1, 1998, should not be recovered. JSPL replied to the addendum dated May 12, 2001 on September 22, 2001 stating that the original show cause notice with reference to which the addendum is issued was not received by JSPL. Further, JSPL also replied to the corrigendum dated May 25, 2001. The matter is pending before the Additional Commissioner, Central Excise & Customs, Raipur.

36. The Additional Commissioner, Central Excise & Customs, Raipur, issued a show cause notice dated May 2, 2006, asking JSPL to show cause as to why CENVAT credit of Rs. 1.40 million and education cess of Rs. 0.03 million for the period April 2005 to June 2005 should not be disallowed and recovered along with interest and penalty as the goods on which CENVAT credit has been

availed do not appear to be capital goods. JSPL replied to the said show cause notice on May 30, 2006. The Additional Commissioner, Central Excise & Customs, Raipur, issued another show cause notice dated January 20, 2006 asking JSPL to show cause as to why, CENVAT credit amounting to Rs. 1.17 million and education cess of Rs. 0.02 million should be disallowed and recovered along with interest and penalty. The Additional Commissioner, Central Excise & Customs, Raipur, vide common order dated September 27, 2006, disallowed the CENVAT credit of Rs. 1.40 million and Rs. 1.17 million, respectively, along with interest and imposed a penalty of Rs. 0.20 million. JSPL filed an appeal before the Commissioner (Appeals I), Central Excise & Customs, Raipur on November 16, 2006. The Commissioner (Appeals I), Central Excise & Customs, Raipur, vide his order dated December 21, 2006, set aside the order of the Additional Commissioner, Central Excise & Customs, Raipur, and allowed the CENVAT credit as consequential relief. However, aggrieved by the said order, on March 27, 2007, the Commissioner, Central Excise & Customs, Raipur, filed an appeal before the CESTAT, New Delhi. JSPL filed cross objection to the appeal on July 4, 2007. The matter is currently pending.

37. The Assistant Commissioner, Central Excise & Customs, Bilaspur, issued a show cause notice dated April 30, 2003, asking JSPL to show cause as to why CENVAT credit wrongly availed and utilised, amounting to Rs. 0.24 million, for the period April 2002 to June 2002, should not be disallowed and recovered, along with interest and penalty, as the capital goods have been used exclusively in the manufacture of exempted or non-excisable goods namely power. JSPL replied to the said show cause notice on June 30, 2003. The Assistant Commissioner, Central Excise & Customs, Bilaspur, issued another show cause notice dated August 7, 2003, asking JSPL to show cause as to why CENVAT credit wrongly availed and utilized, amounting to Rs. 0.48 million, for the period July 2002 to September 2002, should not be disallowed and recovered, along with interest and penalty, as the capital goods have been used exclusively in the manufacture of exempted or non-excisable goods namely power. JSPL replied to the said show cause notice on October 10, 2003. The Assistant Commissioner, Central Excise & Customs, Bilaspur, through a common order dated September 12, 2008, dropped the proceedings initiated against JSPL under both the aforesaid show cause notices. The Assistant Commissioner, Central Excise & Customs, Bilaspur, filed an appeal before the Commissioner (Appeals), Central Excise and Customs, Raipur on January 6, 2009. The Commissioner (Appeals), Central Excise and Customs, Raipur, vide his order dated February 12, 2009, allowed the appeal by way of remand. Aggrieved by the said order, the Commissioner, Central Excise & Customs, Raipur, before the CESTAT, New Delhi, questioning the power of the Commissioner (Appeals), Central Excise and Customs, Raipur, to remand the case. JSPL filed cross objections on August 26, 2009. The matter is currently pending.

38. The Commissioner, Central Excise & Customs, Raipur, issued a show cause notice dated July 10, 2006, asking JSPL to show cause as to why, for the period July 2005 to May 2006, Central Excise Duty amounting to Rs. 108.65 million and education cess of Rs. 2.17 million should not be recovered as the exemption from payment of excise duty on structural steel supplied to Jindal Power Limited was not available. JSPL replied to the said show cause notice on September 24, 2006. The Commissioner, Central Excise & Customs, Raipur, vide order dated November 27, 2006 confirmed the demand aggregating to Rs. 110.82 million, along with interest and further imposed a penalty of Rs. 12.50 million. Aggrieved by the said order, JSPL filed an appeal along with a stay application before the CESTAT, New Delhi, on February 2, 2007. By a stay order dated March 30, 2007, the CESTAT, New Delhi, has waived the pre deposit and stayed recovery of the demand. The matter is currently pending.

39. The Joint Director, Director General of Central Excise Intelligence, Mumbai, issued a show cause notice on October 3, 2006, asking JSPL to show cause as to why Central Excise duty amounting to Rs. 0.67 million and education cess of Rs. 849, short paid by JSPL of the structural steel removed for captive consumption during fiscal 2005 should not be disallowed and recovered along with interest and penalty and also as to why interest on differential duty already paid i.e. 13.41 million and education cess 0.26 million, should not be recovered. JSPL replied to the said show cause notice on December 19, 2006 to Additional Commissioner, Central Excise & Customs, Raipur. The Additional Commissioner, Central Excise & Customs, Raipur confirmed the demand and ordered recovery along wit interest and penalty of Rs. 0.10 million, vide his order dated January 25, 2007. He also ordered recovery of interest on the differential duty paid by JSPL. JSPL filed an appeal along with a stay application before the Commissioner (Appeals), I Central Excise & Customs, Raipur, on March 29, 2007. The Commissioner (Appeals) I, Central Excise & Customs,

Raipur vide his order dated September 7, 2007, set aside the order of the Additional Commissioner, Central Excise & Customs, Raipur. Aggrieved by the said order, the Commissioner, Central Excise & Customs, Raipur, filed an appeal before the CESTAT, New Delhi, on December 12, 2007. JSPL filed cross objections on April 23, 2008. The matter is currently pending.

40. The Assistant Commissioner, Central Excise & Customs, Bilaspur, issued a show cause notice dated September 1, 2004, asking JSPL to show cause as to why their claim for refund of Rs. 0.06 million should not be rejected on the ground that the incidence of duty has been passed on to the buyer. JSPL filed its reply to the said show cause notice on October 6, 2004. The Assistant Commissioner, Central Excise & Customs, Bilaspur, vide order dated December 29, 2004 allowed the refund. The Assistant Commissioner, Central Excise & Customs, Bilaspur, filed an appeal before the Commissioner (Appeals), Central Excise & Customs, Raipur, praying for setting aside of the earlier order pursuant to which the refund was allowed. The Commissioner (Appeals), Central Excise & Customs, Raipur, vide order dated January 25, 2006, rejected the appeal. Aggrieved by the said order, the Commissioner, Central Excise & Customs, Raipur filed an appeal before the CESTAT, New Delhi, on April 27, 2006. JSPL has filed cross objections to the appeal on November 9, 2006. The matter is currently pending.

41. The Assistant Commissioner, Central Excise & Customs, Bilaspur, issued a show cause notice dated October 26, 2004 asking JSPL to show cause as to why the claim of refund for Rs. 3.81 million, for the period September 12, 2003 to March 31, 2004, should not be rejected on the grounds that there was undervaluation of the goods captively consumed by JSPL during fiscal 2004. JSPL replied to the said show cause notice on December 6, 2004. The Assistant Commissioner, Central Excise & Customs, Bilaspur, vide order dated April 13, 2005, rejected the refund claim. JSPL filed an appeal before the Commissioner (Appeals), Central Excise & Customs, Raipur on June 10, 2005. The Commissioner (Appeals), Central Excise & Customs, Raipur, vide order dated August 11, 2005, allowed the appeal. Aggrieved by the said order, the Commissioner, Central Excise & Customs, Raipur, filed an appeal before the CESTAT, New Delhi, on November 16, 2005 praying for setting aside of the impugned order. The Commissioner, Central Excise & Customs, Raipur also filed a stay application on February 3, 2006. By stay order dated May 2, 2006, the CESTAT rejected the stay application. The matter is currently pending.

42. The Assistant Commissioner, Central Excise & Customs, Bilaspur, issued a show cause notice dated May 21, 2004, followed by a corrigendum dated November 4, 2004, asking JSPL to show cause as to why service tax amounting to Rs. 3.18 million should not be recovered on account of service tax on goods transport operator service for the period February 1, 1998 to June 1, 1998. JSPL replied to the said show cause notice and corrigendum on July 17, 2004 and December 27, 2004, respectively. The Assistant Commissioner, Central Excise & Customs, Bilaspur, vide order dated October 30, 2006 confirmed the demand along with interest and also imposed a penalty aggregating Rs. 3.38 million. JSPL filed an appeal and stay application on February 1, 2007 before the Commissioner (Appeals), Central Excise & Customs, Raipur. The Commissioner (Appeals), Central Excise & Customs, Raipur, vide stay order dated March 12, 2007, directed JSPL to pre deposit an amount of Rs. 2.50 million. JSPL filed a modification application on March 31 2007. The Commissioner (Appeals), Central Excise & Customs, Raipur, vide order dated April 2, 2007, extended the time to pre deposit the amount. The Commissioner (Appeals), Central Excise & Customs, Raipur, vide final order dated April 20, 2007 dismissed the appeal of JSPL for non compliance regarding the pre deposit. Aggrieved by the said order JSPL filed an appeal and stay application before the CESTAT, New Delhi, in July 2007. The CESTAT, New Delhi, vide order dated August 23, 2007, allowed the stay application and remanded the matter to the Commissioner (Appeals), Central Excise & Customs, Raipur, for a decision on merits without insisting on any pre deposit. The matter is currently pending.

43. The Assistant Commissioner, Central Excise & Customs, Bilaspur, issued a show cause notice dated October 29 2002, asking JSPL to show cause as to why CENVAT credit amounting to Rs. 2.10 million, for the period October 2001 to December 2001, should not be disallowed and recovered from them along with interest and penalty as the goods such as rails, plates, sheets and rounds on which CENVAT credit has been availed do not appear to be inputs. JSPL filed its reply to the said show cause notice on February 13, 2003. The Additional Commissioner, Central Excise & Customs, Raipur vide order dated July 28, 2004 allowed the CENVAT credit. The Additional

Commissioner, Central Excise & Customs, Raipur filed an appeal before the Commissioner (Appeals), Central Excise & Customs, Raipur on July 28, 2005. The Commissioner (Appeals), Central Excise & Customs, Raipur, vide order dated November 9, 2005 rejected the appeal of the Additional Commissioner Central Excise & Customs, Raipur. Aggrieved by the said order, the Commissioner Central Excise & Customs, Raipur, filed an appeal before the CESTAT, New Delhi, on January 27, 2006. The matter is currently pending.

44. The Assistant Commissioner, Central Excise & Customs, Bilaspur, issued a show cause notice dated October 30 2002, asking JSPL to show cause as to why CENVAT credit amounting to Rs. 4.17 million, for the period October 2001 and November 2001, should not be disallowed and recovered from them along with interest and penalty as the goods such as base frame of motor and coal feeder frame, on which exemption has been availed do not appear to be capital goods or inputs and they should be classified under chapter 7308. JSPL filed its reply to the said show cause notice on January 15, 2003 to the Commissioner, Central Excise & Customs, Raipur as required by the show cause notice. On May 7, 2004 the Additional Commissioner, Central Excise & Customs Raipur, allowed the exemption to all items of capital goods in question except for floor platform and bottom ash hopper roof confirming demand of duty of Rs. 0.08 million and dropped the proceeding in respect of demand amounting to Rs. 4.09 million. The Additional Commissioner, Central Excise & Customs, Raipur filed an appeal before the Commissioner (Appeals), Central Excise & Customs, Raipur on June 27, 2005. The Commissioner (Appeals), Central Excise & Customs, Raipur, vide order dated November 9, 2005 rejected the appeal of the Commissioner (Appeals), Central Excise & Customs, Raipur. Aggrieved by the said order, the Commissioner Central Excise & Customs, Raipur, filed an appeal before the CESTAT, New Delhi, on January 27, 2006. The matter is currently pending.

45. The Additional Commissioner, Central Excise & Customs, Raipur, issued a show cause notice dated March 31, 2008, asking JSPL to show cause as to why CENVAT credit wrongly availed and utilised by them amounting to 3.68 million, for the period March 2007 to September 2007, should not be disallowed and recovered along with interest and penalty. Further, as to why interest on differential duty paid on supplementary invoices issued i.e. Rs. 3.74 million should not be recovered. Additionally, as to why interest on reversal of CENVAT credit i.e. Rs. 8.38 million should not be recovered. JSPL filed its reply to the said show cause notice on May 25, 2008. The Additional Commissioner, Central Excise & Customs, Raipur, vide order dated March 31, 2009 confirmed the demand and ordered recovery of the same along with interest. JSPL filed an appeal before the Commissioner (Appeals), Central Excise & Customs, Raipur, on May 22, 2009. The matter is currently pending.

46. The Commissioner, Central Excise & Customs, Raipur, issued a show cause notice dated August 4, 2009, requiring JSPL to show cause as to why, for fiscal 2005, 2006 and 2007, Central Excise Duty amounting to Rs. 140.14 million should be recovered along with interest and penalty as JSPL has failed to pay duty on 0.94 million MT of sponge iron allegedly manufactured and sold by JSPL. As per the allegations, 54.41 million HDPE (high density poly ethylene bags) bags were issued from stores. JSPL in the three fiscal years sold 17.83 million MT of sponge iron for which at the rate 50 kg per bag only 35.67 million bags should have been required. This indicates that extra quantity of HDPE bags i.e. 18.74 million HDPE bags have been used for removal further 0.94 MT of sponge iron. JSPL filed its reply to the said show cause notice on October 9, 2009. The matter is currently pending.

47. The Assistant Commissioner, Customs & Central Excise, Bilaspur, issued a show cause notice dated December 3, 2009, asking JSPL to show cause as to why interest amounting to Rs. 0.05 million short paid on the amount on service tax on GTO services during fiscal 2005 and fiscal 2008 should not be recovered and as to why penalty should not be imposed. The matter is currently pending.

48. The Superintendent, Central Excise, Raigarh on December 19, 1994, issued a show cause notice, asking JSPL as to show cause as to why, MODVAT Credit of 0.04 million should not be disallowed and recovered along with interest as the goods on which the MODVAT credit has been availed cannot be considered as capital goods. JSPL replied to the said show cause notice on January 9, 1995. The Assistant Commissioner, Central Excise & Customs, Bilaspur, vide order dated July 24, 1996, while partly allowing the availment of MODVAT credit, disallowed

MODVAT credit amounting to Rs. 9,725 and imposed a penalty of Rs. 2,000. JSPL filed an appeal and stay application before the Commissioner (Appeals), Central Excise & Customs, Indore, on December 30, 1996 challenging the disallowance of Rs. 9,725. On the other hand, the Assistant Commissioner, Central Excise & Customs, Bilaspur, also filed an appeal on October 6, 1997, before the Commissioner (Appeals), Central Excise & Customs, Bhopal for Rs. 0.03 million. The Commissioner (Appeals), Central Excise & Customs, Bhopal, vide order dated November 5, 1997, allowed the MODVAT credit of Rs. 9,725. Further vide order dated February 8, 1999, the Commissioner (Appeals), Central Excise & Customs, Bhopal allowed the CENVAT credit of Rs. 0.03 million. The Commissioner, Central Excise & Customs, Raipur filed an appeal on May 31, 1999 before the Customs Excise and Gold (Control) Appellate Tribunal ("**CEGAT**"). The CEGAT vide order dated March 16, 2000 rejected the appeal of the Commissioner (Appeals), Central Excise & Customs, Raipur. The Commissioner, Central Excise & Customs, Raipur on December 14, 2000 filed an appeal before the High Court of Chhattisgarh. The matter is currently pending.

49. The Superintendent, Central Excise, Raigarh on September 5, 1995, issued a show cause notice, asking JSPL (then Jindal Strips Limited) as to show cause as to why, MODVAT credit amounting to Rs. 1.20 million availed on ineligible capital goods should not be disallowed and recovered along with interest. JSPL relied to the said show cause notice on September 12, 1995. The Commissioner, Central Excise & Customs, Raipur, vide order dated February 27, 1996 disallowing MODVAT credit of Rs. 1.04 million and allowing MODVAT credit of Rs. 0.16 million. Jindal Strips Limited filed an appeal and stay application before the CEGAT in April 1996. The CEGAT vide order dated September 23, 1997 allowed the appeal in favour of Jindal Strips Limited. Aggrieved by the said order, the Commissioner, Central Excise & Customs, Raipur, on December 9, 1997 filed a reference application before the CEGAT seeking permission to refer the matter to the High Court of Madhya Pradesh. CEGAT, on July 13, 1999, forwarded the statement of the matter to the High Court of Madhya Pradesh. The matter is currently pending.

50. The Additional Commissioner, Customs & Central Excise, Raipur, issued a show cause notice dated October 29, 2009, asking JSPL to show cause as to why, for the period October 2008 to March 2009, CENVAT Credit availed on items which cannot be considered as inputs amounting to Rs. 3.23 million, including education cess and secondary higher education cess, should not be disallowed and recovered along with interest. Further, (i) as to why 50% availement of CENVAT Credit on refractory materials amounting to Rs. 1.35 million, including education cess and secondary higher education cess, should not be recovered, (ii) as to why interest on reversal of CENVAT Credit amounting to Rs. 1.61 million, including education cess and secondary higher education cess, should not be recovered, and (iii) as to why penalty should not be imposed. JSPL has replied to the said show cause notice on December 3, 2009. The matter is currently pending.

51. The Assistant Commissioner, Central Excise & Customs, Bilaspur, issued a show cause notice dated August 7, 2009, asking JSPL to show cause as to why the refund of Rs. 3.56 million should not be rejected on the ground of deficiency in certain documents in terms of classification of services against which refund is claimed. The Assistant Commissioner, Central Excise & Customs, Bilaspur, further alleged that JSPL had not produced proof of export of certain goods exported against which the service tax refund claim had been filed. He further alleged that that JSPL has not produced original tax paying documents and thereby the entire amount of 3.56 million is ineligible for refund. JSPL replied to the said show cause notice on August 22, 2009. However, by an order dated November 26, 2009, the Assistant Commissioner, Central Excise & Customs, Bilaspur, rejected the claim of JSPL. JSPL is in the process of filing an appeal.

52. The Assistant Commissioner, Central Excise, Bilaspur, issued a show cause notice dated October 30, 2006, asking JSPL to show cause as to why, for the period between October 2005 and April 2006, CENVAT credit amounting to Rs. 0.24 million and education cess of Rs. 4,858 should not be disallowed and recovered from them along with interest and penalty as the goods on which CENVAT credit has been claimed do not appear to be capital goods. JSPL replied to the said show cause notice on November 30, 2006. The Assistant Commissioner, Central Excise, Bilaspur, vide order dated January 31, 2007 disallowed the CENVAT credit amounting to Rs. 0.24 million and education cess of Rs. 4,858, along with interest and imposed a penalty of Rs. 0.03 million. JSPL filed an appeal before the Commissioner, Central Excise and Customs (Appeals) – I, Raipur. The Commissioner, Central Excise and Customs (Appeals) – I, Raipur vide order dated allowed the appeal and set aside the order passed by the Assistant Commissioner, Central Excise, Bilaspur.

Aggrieved by the said order, the Commissioner, Customs & Central Excise filed an appeal before the CESTAT, New Delhi on December 14, 2007. JSPL filed cross objections before the CESTAT, New Delhi on February 20, 2008. The matter is currently pending.

53. The Assistant Commissioner, Customs, Central Excise & Service Tax, Bilaspur, issued a show cause notice dated November 30, 2009, asking JSPL to show cause as to why the refund claim of Rs. 0.70 million should not be rejected as the claim is hit by limitation of time due to non-submission of complete documents within the prescribed period and as it fails to satisfy the necessary condition of furnishing documents relating to proof of service tax payments. The matter is currently pending.

Income Tax matters

Litigation against JSPL

1. The Additional Commissioner of Income Tax, Hisar, pursuant to an assessment order dated March 26, 2004, for the assessment year 2001-02 noted that though power was being supplied to the CSEB at the rate of Rs. 2.32 per unit, JSPL was supplying power to its other units for captive consumption at the rate of Rs. 3.72 per unit i.e. the rate at which CSEB was supplying power to industrial consumers. The Additional Commissioner of Income Tax, Hisar, alleged that the same was being done with a view to inflate profit attributable to power generating unit to qualify for deduction from taxable income. Accordingly, the claim of JSPL for deduction under section 80 IA of the IT Act was reduced from Rs. 801.04 million to Rs. 481.17 million. Apart from the above, the assessing officer also ordered disallowances to the tune of Rs. 20.74 million. However, no demand was imposed as the tax payable under section 115JB of the IT Act was more than on the assessed income. JSPL filed an appeal before the CIT (A), Rohtak on April 16, 2004. The CIT (A) vide order dated May 16, 2005 partly allowed the appeal. However, the CIT (A), Rohtak confirmed the order passed by the Additional Commissioner of Income Tax, Hisar, in relation to the deduction under section 80 IA. JSPL filed an appeal before the ITAT, New Delhi against the impugned order. The ITAT vide order dated June 7, 2007, while partly allowing the appeal filed by JSPL ordered the assessing officer to allow relief to JSPL under section 80 IA of the IT Act as claimed. On the other hand, the appeal filed by the CIT was dismissed. Aggrieved by the said order the CIT, Hisar filed an appeal before the High Court of Punjab and Haryana which was dismissed by the High Court on September 2, 2008. Aggrieved the order passed by the High Court of Punjab and Haryana, the CIT preferred an appeal before the Supreme Court of India on April 25, 2009. The appeal was admitted by the Supreme Court but confined to assessment year 2001-02 and on the interpretation of section 80 IA of the IT Act only. The matter is currently pending before the Supreme Court.

2. The Additional Commissioner of Income Tax, Hisar pursuant to assessment order dated March 28, 2005, for the assessment year 2002-03, reduced the allowance on similar grounds as of the earlier assessment year regarding allowable deduction under section 80IA of the IT Act in case of power generating units. The Additional Commissioner of Income Tax, Hisar held that for captive consumption of power, JSPL has inflated income to the extent of Rs. 197.68 million. Further, for supply of power to the Raipur unit of JSPL amounting to Rs. 12.43 million was disallowed. Additionally, the assessing officer also ordered disallowances to the tune of Rs. 18.21 million. However, no demand was imposed as the tax payable under section 115JB of the IT Act was more than normal tax on the assessed income. JSPL filed an appeal before the CIT (A), Rohtak on April 27, 2005. The CIT (A), Rohtak vide order dated November 19, 2008, partly allowed the appeal and deleted the disallowance made by the assessing officer under section 80 IA of the IT Act for power generating units. Aggrieved by the said order, JSPL filed an appeal before the ITAT, New Delhi, on January 30, 2009, against the order passed by the CIT (A), Rohtak on the grounds that the CIT (A) erred in not adjudicating on the claim for exemption of sales tax, entry tax and electricity duty subsidy amounting to Rs. 35.97 million (taken as additional ground before the CIT(A)), in confirming the other disallowance of Rs. 0.20 million and in upholding the order of the assessing officer regarding interest. The matter is currently pending before the ITAT.

3. The Additional Commissioner of Income Tax, Hisar pursuant to assessment order dated March 30, 2006, for the assessment year 2003-04, reduced the allowance of Rs. 468.26 million on similar grounds as of the earlier assessment years regarding allowable deduction under section 80IA of the IT Act in case of power generating units. Accordingly, the assessing officer ordered reduction of profit by Rs.

468.26 million. Apart from the above, the assessing officer also ordered disallowances to the tune of Rs. 44.16 million. However, no demand was imposed as the tax payable under section 115JB of the IT Act was more than the normal tax on the assessed income. JSPL filed an appeal before the CIT (A), Rohtak on April 27, 2006. The CIT (A), Rohtak vide order dated November 11, 2008 partly allowed the appeal and deleted the disallowance made by the assessing officer under section 80 IA of the IT Act for power generating units. Aggrieved by the said order, JSPL filed an appeal before the ITAT, New Delhi on January 15, 2009 on the grounds that the CIT (A) erred in not adjudicating on the claim for exemption of sales tax, entry tax and electricity duty subsidy amounting to Rs. 111.06 million, in partly disallowing/setting aside other disallowances amounting to Rs. 0.77 million (taken as additional ground before the CIT(A)) and in upholding the order of the assessing officer regarding interest. The matter is currently pending.

4. The Deputy Commissioner of Income Tax, Hisar, pursuant to assessment order and notice of demand dated December 29, 2006, imposed a demand of Rs. 113.82 million on JSPL for the assessment year 2004-05, on account of, among other things, reduction in allowable deduction under section 80 IA of the IT Act in case of power generating units on similar grounds as that of the earlier assessment years. Accordingly, the eligible deduction under section 80 IA was reduced from Rs. 1,411 million to Rs. 948.44 million. Furthermore, the assessing officer also ordered other disallowances aggregating Rs. 257.35 million comprising mainly of a disallowance of Rs. 247.73 million for capital receipt (sales tax/entry tax/electricity duty) from the income computed, which was rejected on the ground that the exemption granted by the State Government was in nature of a revenue receipt. JSPL filed an appeal before the CIT (A), Rohtak on January 25, 2007. The CIT (A), Rohtak pursuant to order dated August 18, 2008 partly allowed the appeal and deleted the disallowance made by the assessing officer under section 80 IA of the IT Act for power generating units. Though the CIT (A), ordered disallowance primarily of Rs. 247.73 million for capital receipts and other disallowances amounting to Rs. 1.00 million. Aggrieved by the said order, JSPL filed an appeal before the ITAT, New Delhi on October 6, 2008. The matter is currently pending before the ITAT.

5. The Deputy Commissioner of Income Tax, Hisar, pursuant to assessment order and notice of demand dated December 31, 2007 imposed a demand of Rs. 308.75 million, for the assessment year 2005-06, on account of, among other things, reduction in allowable deduction under section 80 IA of the IT Act in case of power generating units on similar grounds as that of the earlier assessment years. Accordingly, the eligible deduction under section 80 IA was reduced from Rs. 1,967.08 million to Rs. 1,177.89 million. The assessing officer also ordered other disallowances amounting to Rs. 592.76 million comprising primarily of Rs. 588.82 million for capital receipt (sales tax/entry tax/electricity duty) from the income computed, which was rejected on the ground that the exemption granted by the State Government was in nature of a revenue receipt. JSPL filed an appeal before the CIT (A), Rohtak on January 28, 2008. The CIT (A), Rohtak vide order dated November 11, 2008, partly allowed the appeal and deleted the disallowance made by the assessing officer under section 80 IA of the IT Act for power generating units. Aggrieved by the said order JSPL filed an appeal before the ITAT, New Delhi on January 15, 2009 on the grounds that the CIT (A) erred in treating Rs. 588.82 million as revenue receipt, in disallowing a sum of Rs. 1.46 million on other grounds and in charging interest. The matter is currently pending before the ITAT.

6. The Additional Commissioner of Income Tax, Hisar, pursuant to assessment order and notice of demand dated December 31, 2008, imposed a demand of Rs. 675.41 million on JSPL for the assessment year 2006-07 on account of, among other things, reduction in allowable deduction under section 80 IA of the IT Act in case of power generating units on similar grounds as of the earlier assessment years. Accordingly, the eligible deduction under section 80 IA was reduced from Rs. 3,657.13 million to Rs. 2,530.49 million. The assessing officer also ordered other disallowances amounting to Rs. 1,038.91 million comprising primarily of Rs. 768.00 million for capital receipt and further amounts of Rs. 51.78 million, Rs. 50.48 million, Rs. 68.98 million and Rs. 99.13 million, incurred on CSR activities, amortization of ESOS expenditure, lease rental payment for aircraft and proportionate depreciation relating to capital subsidy, were also disallowed. Aggrieved by the said order, JSPL filed an appeal before the CIT (A), Rohtak on January 28, 2009. The CIT(A), Rohtak vide order dated November 27, 2009, partly allowed the appeal and deleted the disallowance made by the Assessing Officer under section 80IA of the IT Act for power generating units, amount incurred on CSR activities, lease rental payments on aircraft and proportionate depreciation relating to capital subsidy. JSPL is in the process of filing an appeal before the ITAT, New Delhi.

Fringe Benefit Tax

Litigation against JSPL

The Additional Commissioner of Income Tax, Hisar, pursuant to assessment order u/s 115WE (3) of the Income Tax Act and notice of demand dated December 31, 2008, imposed a demand of Rs. 8.54 million on JSPL for the assessment year 2006-07 on account of, non payment of FBT on depreciation of owned aircraft of Rs. 3.18 million and on lease rentals (including finance charges) for leased aircraft on GE capital of Rs. 15.88 million. Aggrieved by the said order, JSPL filed an appeal before the CIT (A), Rohtak on January 28, 2009. The CIT (A), Rohtak pursuant to order dated October 23, 2009 confirmed the addition made by the assessing officer and enhanced the demand with addition of Rs. 51.77 million in relation to expenditure incurred on construction of a hospital and school auditorium made for the benefit of employees. JSPL is in the process of filing an appeal before the ITAT, New Delhi.

Environment Case

Litigation against JSPL

Ramesh Agarwal ("**Petitioner**"), member of a social organization, 'Jan Chetna', filed a writ petition (no. 2662/2009) on May 19, 2009 against the Union of India and others including JSPL (the "**Respondents**") before the High Court of Chhattisgarh, Bilaspur Bench, under Article 226 of the Constitution of India for *prima facie* violating the mandatory procedures, such as, holding of public hearing by a competent agency, fulfillment of conditions precedent and adequate publicity, laid down in the notification issued by the Central Government, dated September 14, 2006, (S.O. 1533 (E)), published in the Expert Committee Gazette of India, while granting permission to JSPL for modernization of its existing plant at Patrapalli, Tehsil and District, Raigarh and praying for quashing the permission granted by the Commission. JSPL has filed its reply on August 11, 2009 praying for dismissal of the writ petition on the grounds that the Petitioner is not entitled to any relief as he had no *locus standi* to file the petition. The matter is currently pending.

Labor Cases

Litigation against JSPL

1. The Court of First Additional Motor Accident Claim Tribunal, Raigarh, passed an order (no. 53/99) under section 166 of the Motor Vehicles Act, 1988, directing Jindal Strips Limited to pay a sum of Rs. 0.17 million to Ms. Sarota Bai, wife of Late Mr. Cheddilal Mahant, ("**Appellant**"), for the death of her husband in an accident that occurred while discharging his duties. Subsequently, the Appellant filed an appeal (M.A. (c) no. 06 of 2004) on December 15, 2003, before the High Court of Chhattisgarh, Bilaspur Bench, against Ravinder Pandey and Others, for enhancing the quantum of compensation to Rs. 0.61 million. The Company has to file a reply to the High Court of Chattisgarh, Bilaspur Bench. The matter is currently pending.

2. The Commissioner of Workmen Compensation, Raigarh, passed an order (no. 36/W.C. Act/2007) under section 22 of the Workmen Compensation Act, 1923 directing M/s. UB Group to pay Mr. Shivlakhan Paswan (the "**Appellant**"), dated April 24, 2008 awarding a compensation of Rs. 0.13 million including a penalty of Rs. 0.01 million, for the accident that occurred at the workplace during the working hours. Subsequently, the Appellant filed an appeal (M.A. (c) no. 1013 of 2008) on July 21, 2008, before the High Court of Chhattisgarh, Bilaspur Bench, against the Site- In- Charge M/s. U.B. Group and Others, for enhancing the quantum of compensation. The matter is currently pending.

Land Acquisition matter

Litigation against JSPL

1. There are 11 writ petitions pending before the High Court of Chhattisgarh against the State of Chhattisgarh and Others ("**Respondents**"), wherein oustees have alleged *inter alia* a) that the purpose for which their property has been acquired under Land Acquisition Act of 1894 ("Act of 1894") is for industrial purposes of JSPL and not for public purposes; b) non observance of Part VII including

sections 39, 40 of the Act of 1894 and Rules 4 and 6 of Land Acquisition (Companies) Rules whereby no declaration shall be made by the appropriate government unless report has been considered under Section 5A and agreement has been executed under Section 41 of the Act of 1894; c) notifications are issued by the authorities who are not vested with such powers; d) for issuing ambiguous notifications; e) violation of Section 44B of the Act of 1894 which mandates the acquisition of land for the purposes under section 40 for a private company which is not a government company. The oustees have prayed for *inter alia* a) writ of Certiorari quashing the impugned notifications under section 4 and 6 of the Act of 1894 and the entire land acquisition proceedings; b) call for the entire records leading to the passing of the impugned notification; c) to provide with the cost of petition. Subsequently, the High Court issued interim orders restraining the Respondents to interfere with the possession of the land. Matter is currently pending.

However, in one of the cases (6951 of 2006), the petition had been filed due to deliberate disobedience of the interim order passed by the court in writ petition No. 6591 of 2006 by Naveen Jindal and others ("**Contemners**"). Further, in (6951 of 2006), Padam Kumar Patel, ("**Petitioner**") a native agriculturist, prayed that the Court passed an order awarding punishment to the Contemners. In this case, the High Court of Chhattisgarh, Bilaspur bench, had passed the order (no. 6951 of 2006) dated May 14, 2008, dismissing the writ petition on the grounds of delay and lashes ("**Impugned Order**"). Subsequently, Mr. Tej Kumar Patel and Others ("**Appellants**") filed a writ appeal (108/2008) dated May 19, 2008, inter alia for a) quashing the Impugned Order; b) because an interim order dated October 6, 2006 was passed to maintain *status quo*; and c) that the High Court failed to appreciate the fact that the land acquisition proceedings can be challenged only under writ jurisdiction. JSPL has to file its reply to the High Court of Chhattisgarh, Bilaspur bench. The matter is currently pending.

2. The Land Acquisition Officer, Village Tapranga, Raigarh, through its order dated February 4, 2005, rejected the suit filed by Yogendra Patel and others ("**Respondents**") directing the respondents to initiate the suit in the proper forum as the land was acquired under section 247(4) of Chhattisgarh Land Revenue Code, 1959 ("**Impugned Order**") and not under Act of 1984. The Respondents preferred a writ petition (1862/2007) before the Court of Chhattisgarh, Bilaspur Bench on March 14, 2007, pleading among others a) quashing of the Impugned Order; b) adequate compensation for acquiring his land admeasuring 8 hectares.. The matter is currently pending.

3. The Civil District Court, Raigarh has issued an order dated April 9, 2009 ("**Impugned Order**") disposing the civil suit (no. 26-A/07, filed by Veronica Ekka) referring to the application filed under Order 7 Rule 11 of Code of Civil Procedure, 1908 ("**CPC**"). Subsequently, Veronica Ekka has filed an appeal (F.A. No 162/2008) before the High Court Bilaspur (Chhattisgarh), on September 17, 2008 under section 96 of the CPC for quashing the Impugned Order. The matter is currently pending.

<u>*Miscellaneous matters*</u>

Surrender Patel and others (the "**Plaintiffs**") have filed a writ petition (no. 1025/ 2009) against State of Chhattisgarh and others before the High Court of Chhattisgarh, Raipur Bench, for issuing writ of Certiorari, Mandamus or Prohibition to restrain the Collector, Raigarh, fixing electric pole and from passing the overhead high tension electricity transmission line on the land owned by the Plaintiffs bearing khasra no. 99/2, rakba no 0.320, khasra no. 99/3 rakba no. 0.530 and khasra no. 99/12 rakba no. 0.393, khasra no. 99/4 rakba no. 0.234. The matter is currently pending.

Raipur

<u>*CESTAT*</u>

Litigation against JSPL

1. Additional Commissioner, Central Excise and Customs, Raipur, issued a notice (V(CH.86)15-264/RPR/JC/2004/ADJ/5188) dated February 26, 2004 alleging misclassification of ladle transfer car under chapter heading 8454.90 instead of 8603.00 of Central Excise Tariff Act, 1985, so as to extend the facility of Cenvat Credit on capital goods for the Raipur unit. JSPL filed a reply to the notice on October 28, 2004 contending that the ladle transfer car be classified under heading 8454.90 and the show cause notice and penal proceedings be dropped. Subsequently, the Additional Commissioner, pursuant to its order (280/CH:86/RPR/ADC) dated November 27, 2006 directed JSPL to deposit Rs.

0.95 million as tax including penalty. JSPL preferred an appeal along with a stay application before the Commissioner (Appeals-I) Central Excise and Customs, Raipur on January 25, 2007. However, through its order dated March 29, 2007, the Commissioner (Appeals-I) Central Excise and Customs did not grant relief to JSPL. Thereafter, on June 25, 2007, JSPL preferred an appeal to the Vice President, Excise Appeal Branch, CESTAT praying that the recovery of the penalty be dispensed and stayed. Pursuant to its order (no. 853/2007 Ex) dated August 7, 2007, the Appellant Tribunal has waived off the deposit of the penalty of Rs. 0.20 million. The matter is currently pending.

2. Commissioner, Central Excise and Customs, Raipur had passed a provisional order (I(Gen)Ch.72/96z/44/97/CX/5964) dated February 20, 1998 ("**Impugned Order**"), under section 3A of the Central Excise Act, 1944 and Rule 96ZO of Central Excise Rules, 1944, determining the annual capacity of the furnace to be 19,200 MT and provisional liability to be Rs. 1.00 million for each month towards full and final discharge of the liability. Subsequently, JSPL (initially known as Jindal Strips Limited) through its advocate filed a writ petition no. 1524/1998 against the Union of India and 3 others (the "Respondent") before the High Court of Madhya Pradesh, Jabalpur Bench, on April 2, 1998, to quash the Impugned Order, to re-determine the annual capacity and the furnace capacity of the unit, to hold that the respondents have no authority to impose the duty and to direct the respondents to refund the amount deposited, whereby, the Court through its order dated March 13, 2003, directed JSPL to make an application to the Commissioner, Customs and Central Excise, Raipur. Subsequently, JSPL made an application dated April 4, 2004 and pursuant to the order (C.No.I(Gen)Ch.72/96Z/35/98/CX/5063) dated April 8, 2003, the Commissioner, Customs and Central Excise, granted no relief to JSPL. Thereafter, JSPL preferred an appeal to CESTAT (initially known as 'Customs Excise and Gold (Control) Appellant Tribunal') on April 29, 2003 wherein it prayed that the demand for the inoperative and dismantled furnace be quashed and refund be made in respect of the payment of provisional duty. Pursuant to its order (no. E/S/537/03-NB(A), E/A No 730/2003-NB(A)), dated June17, 2003, the Tribunal has waived off the recovery of additional pre- deposit and stayed the recovery of balance amount from JSPL. Thereafter, JSPL went on appeal to Customs, Excise and Service Tax Appellant Tribunal who through its order dated December 15, 2003 disallowed any relief to JSPL. Pursuant to the order, JSPL preferred an appeal before the Divisional Bench of High Court of Madhya Pradesh, Bilaspur Bench against Commissioner of Central Excise and Customs. Company has already deposited Rs. 10.00 million. Subsequently, through the order dated October 6, 2004, the High Court has directed the Company not to deposit any further amount till the Respondents do not file the reply. The matter is currently pending.

3. The Assistant Commissioner, Central Excise, Raipur (the "**Assistant Commissioner**") had issued a show cause notice (C. No. V(ST)4-215/ADJ/2005/3422) dated August 5, 2005 to JSPL directing it to show cause as to why no penalty under section 73, 75, 76 and 78 of the Finance Act, 1994 shall be imposed for paying service tax on transport of good for the period between January 2005 to March 2005, as to why interest should not be imposed, and why service tax should not be treated as non-payment from the Cenvat Credit in violation of Rule 4 of Cenvat Credit Rules, 2004; Rule 6 of Service Tax Rules, 1994, and section 68 of the Finance Act. JSPL replied to the show cause notice praying that the show cause notice be dropped and no penalty be imposed. Subsequently, after personal hearing on February 27, 2007, wherein it argued that the service tax paid was on account of the output service, the Assistant Commissioner through its order (V (ST) 4-125/ADJ/2005/474) dated April 18, 2007 has directed JSPL to pay a sum of Rs. 0.03 million as service tax and further imposed a penalty of Rs. 100 per day or 2% of tax per month, whichever is higher till the date of the payment of service tax and further a sum equal to the amount of service tax i.e. Rs. 0.03 million. The Company preferred an appeal (no. 61(ST)/2007) before the Commissioner (Appeals-I) Customs and Central Excise, Raipur, dated June 22, 2007 praying that the pre-deposit of Rs 0.03 million, penalty of Rs 100 per day or 2% whichever is higher be dispensed and its recovery be stayed. Thereafter, through its order (No. 55(ST)/RPR-I/2007) dated July 26, 2007 quashed the order of the Assistant Commissioner, pursuant to which the Assistant Commissioner of Central Excise, Raipur has made an appeal (E/2837/2007) dated October 31, 2007. JSPL has filed its reply on April 18, 2008 wherein it has contended that the appeal filed by the Assistant Commissioner be rejected. The matter is currently pending.

Gram Panchayat Local Body Tax

Litigation against JSPL

Commercial Tax authority, Circle 3, Raipur, pursuant to its evaluation order dated February 28, 2001 directed JSPL (initially known as 'Jindal Strips Limited') to pay a sum of Rs. 0.67 million for the period of tax evaluation April 1, 1997 to May 21997. Pursuant to the evaluation order, no further intimation has made by the Commercial Tax authority.

Sales Tax

Litigation by JSPL

JSPL in December 2000, claimed for a) deferment of tax payable for the turnover on Steel Ignots for an amount of Rs. 0.63 million; b) set off on tax paid on goods used and consumed in manufacturing of taxable goods for an amount of Rs. 0.28 million, for the period from April 1, 1997 to November 11, 1998. The Assistant Commissioner, Commercial Tax, Raipur pursuant to its order dated Feb 20, 2001, disallowed both the claims. JSPL preferred an appeal before the Deputy Commissioner, Commercial Tax Raipur on May 20, 2001. Pursuant to its order dated June 28, 2004 the Deputy Commissioner has allowed deferment of tax payable on Steel Ignots, however, disallowed set off on tax. Subsequently, on August 12, 2004, JSPL filed second appeal with Board of Revenue, Raipur. Case is currently pending.

Recovery cases

Litigation by JSPL

1. JSPL has filed a suit (no. 226 of 2008) before the High Court of Gujrat, Ahmedabad Bench, on August 8, 2008, for winding up of M/s Shah Alloys Limited ("**Respondents**") under section 433 and 434 of the Companies Act, 1956. JSPL has prayed involving others a) to pass a winding up order against the Respondents; b) pass ex-parte interim relief involving others i) restraining Respondents from transferring, alienating or dealing in any matter with the properties, plants and machineries and all such other assets of the Company to any person/ company/ individual etc.; ii) appoint the Official Liquidator as the Liquidator of the Respondents. The matter is currently pending.

2. JSPL filed a civil suit (no. IB/2008 P.W.1) dated January 1, 2008 before the Court of District Judge, Raigarh bench, Chhattisgarh, against M/s Geetanjali Ispat and Powers Private Limited for the non-payment of sum of Rs. 0.60 million and an interest of 12 percent for the supply of the consignment of iron ore and fines weighing 2,000 MT. The matter is currently pending.

3. Decree (No. 06) ("**Impugned Judgment and Decree**") was passed by the Additional District Judge, Raigarh, in the civil suit (no. 1B/02), against Syndicate Bank and others including State Bank of India and ("**Judgment Debtor**") to pay a sum of Rs. 0.47 million including 9 per cent of interest to JSPL ("**Decree Holder**"). The Judgment Debtor made an application dated April 9, 2009, before the Court of Additional District Judge, Raigarh, under section 151 of CPC for disposing the Impugned Judgment and Decree as they were passed *ex- parte*. Subsequently, the Decree Holder filed its reply on March 20, 2009, for rejecting the application. The matter is currently pending.

Railway Penalty Cases

Litigation by JSPL

1. The Chief Goods Supervisor, Northern Railway has issued a letter (no. CGS/BTBR/GOODS/I/W/IRON) dated May 30, 2007 directing JSPL to deposit a sum of Rs. 0.69 million and letter dated April 5, 2007 directing JSPL to deposit a sum of Rs. 0.31 million; and the Divisional District Railway Manager issued the letter (no. NGP/C/772/BTBT/UC/SREL/07) on September 24, 2007 directing JSPL to deposit the money before September 30, 2007 ("**Impugned Notices**") on account of under charges accrued due to overweight of the consignment to be taken from Raigarh, Chhattisgarh to M/s. Sunvijay Rolling and Engineering Limited, Butibori, and Kalumna, under section 73 of the Railways Act, 1989 (the "**Act of 1989**"). Subsequently, JSPL through its authorized signatory Mr. Rakesh Jindal, ("**Petitioner**") filed a writ petition (no. 762/2008) against the Union of India and Others ("**Respondents**") under Article 226/227 of the Constitution of India on October 23, 2007, before the High Court of Maharashtra, Nagpur Bench, asking for ad interim relief for the stay of the Impugned Notices and finally issuing writ of certiorari quashing the Impugned Notices issued long after delivery of goods by the Respondents as illegal, arbitrary, mala fide and *ultra vires* the

provision of the Act of 1989. Pursuant to its interim order dated February 28, 2008, the High Court has granted stay to the matter. The matter is currently pending.

2. The Chief Goods Supervisor, Northern Railway has issued a letter (no C98/GXG) dated December 29, 2006, directing JSPL to deposit a sum of Rs. 0.98 million ("**Impugned Notice**") on account of under charges accrued due to overweight of the consignment to be taken from Kirodimal Nagar (Chhattisgarh) to Mandi Gobindgarh, Punjab, under section 73 of the Act of 1989. Subsequently, JSPL through its authorized signatory Mr. Rakesh Jindal, ("**Petitioner**") filed a writ petition (no. 3429 of 2007) under Article 226/227 of the Constitution of India, against the Union of India and Others ("**Respondents**") on February 11, 2007, before the High Court of Punjab and Haryana, for issuing writ of certiorari or any other direction declaring the action of the Respondent in issuing the Impugned Notice long after delivery of goods as illegal, arbitrary, malafide and *ultra vires* the provision of the Act of 1989. The Respondent had filed the written statement on August 28, 2007 and further quashing the impugned demand bill. The matter is currently pending.

3. The Chief Goods Supervisor, Northern Railway has issued a letter (no MIOC/lgs/doI/07) dated February 11, 2007, directing JSPL to deposit a sum of Rs. 0.83 million ("**Impugned Notice**") on account of under charges accrued due to overweight of the consignment to be taken from Kirodimal Nagar (Raigarh) to Ludhiana, Punjab, under section 73 of the Act of 1989. Subsequently, JSPL and Others through its authorized signatory Mr. Rakesh Jindal, ("**Petitioner**") filed a writ petition (no. 4184 of 2007), under Article 226/227 of the Constitution of India, against the Union of India and Others ("**Respondents**") on March 18, 2007 before the High Court of Punjab and Haryana, for issuing writ of certiorari/ mandamus or any other direction declaring the action of the Respondent in issuing the Impugned Notice long after delivery of goods as illegal, arbitrary, malafide and *ultra vires* the provision of the Act of 1989 and further quashing the impugned demand bill. The Respondent had filed the written statement on August 16, 2007. The matter is currently pending.

4. The Chief Goods Supervisor, Northern Railway has issued a letter (no. CGS/SHDM/POL/01) dated January 30, 2007 directing JSPL to deposit a sum of Rs. 0.75 million ("**Impugned Notice**") on account of under charges accrued due to overweight of the consignment to be taken from Kirodimal Nagar, Raigarh to Shahbad Markanda, Haryana under section 73 of the Act of 1989. Subsequently, JSPL through its authorized signatory Mr. Rakesh Jindal, ("**Petitioner**") filed a writ petition (no. 4183 of 2007), under Article 226/227 of the Constitution of India against the Union of India and Others ("**Respondents**") on February 22, 2007, before the High Court of Punjab and Haryana, for issuing writ of certiorari/ mandamus or any other direction declaring the action of the Respondent in issuing the Impugned Notice long after delivery of goods as illegal, arbitrary, malafide and *ultra vires* the provision of the Act of 1989 and further quashing the impugned demand bill. The Respondent had filed the written statement on August 20, 2007**.** The matter is currently pending.

5. The Chief Goods Supervisor, Northern Railway has issued a letter (no. CGS/JSPL/KOM/14) dated August 16, 2002 directing JSPL to deposit a sum of Rs. 0.10 million ("**Impugned Notice**") on account of under charges accrued due to overweight of the consignment to be taken from Kirodimal Nagar, Raigarh to Ghaziabad, Haryana under section 73 of the Act of 1989. Subsequently, JSPL through its authorized signatory Mr. Rakesh Jindal, ("**Petitioner**") filed a writ petition (no. 287 of 2003), under Article 226/227 of the Constitution of India against the Union of India and Others ("**Respondents**") on February 26, 2007 before the High Court of Chhattisgarh, Bilaspur Bench., asking for ad interim relief for the stay of the Impugned Notice and finally issuing writ of certiorari quashing the Impugned Notices, issued after the delivery of goods as illegal, arbitrary, malafide and *ultra vires* the provision of the Act of 198 and issue a writ of Mandamus to produce before the High Court the records of re-weightment. The Respondent had filed the written statement on April 5, 2007. The matter is currently pending.

6. The Chief Goods Supervisor, Northern Railway has issued a letter (no. CGS/JSPL/KOM/14) dated January 31, 2007 directing JSPL to deposit a sum of Rs. 0.48 million ("**Impugned Notice")** on account of under charges accrued due to overweight of the consignment to be taken from Kirodimal Nagar, Raigarh to Ghaziabad, Haryana under section 73 of the Act of 1989. Subsequently, JSPL through its authorized signatory Mr. Rakesh Jindal, ("**Petitioner**") filed a writ petition (no. 18441 of 2007), under Article 226/227 of the Constitution of India against the Union of India and Others ("**Respondents**") on December 9, 2002 before the High Court of Uttar Pradesh, Allahabad Bench, asking for ad interim relief for the stay of the Impugned Notice and finally issuing writ of certiorari quashing the Impugned

Notices, issued long after delivery of goods by the Respondents as illegal, arbitrary, malafide and *ultra vires* the provision of the Act of 1989 and issue a writ of Mandamus to produce before the High Court the records of re-weightment. Pursuant to its order dated April 10, 2007, the High Court has dismissed the case and have asked the Petitioner to refer the matter to Divisional Railway Manager, South-East, Central Railway Division, Bilaspur (Chhattisgarh). The matter is currently pending.

7. The Chief Goods Supervisor, Northern Railway has issued; i) a demand notice (no. RHA/BDR/UC/KTDR/32/06) dated May 16, 2006 directing JSPL to deposit a sum of Rs. 0.08 million due to undercharge on Export Traffic; ii) demand notice (no. RHA/BDR/UC/KTDR/33/06) dated May 17, 2006 directing JSPL to deposit a sum of Rs. 0.58 million on account of under charges accrued due to overweight of the consignment of sponge iron taken from Kirodimal Nagar, Raigarh to Darshana, Bangladesh and sale notice (no. RHA/BDR/SALE/JINDAL/06) dated May 25, 2006 for depositing the total sum of Rs. 0.66 million within 7 days from the date of receipt of the sale notice, failure of which will lead to public auction of goods, under the provisions of the Act of 1989. Subsequently, JSPL filed a writ petition (no. 13980 of 2006), under Article 226/227 of the Constitution of India against the Union of India and Others on February 26, 2007 before the High Court of Kolkata, asking for issuing writ of Certiorari and Mandamus for quashing the demand notice dated May 25, 2006; issuing a writ of Mandamus to release the consignment of iron ore; iii) issuing an injunction order issued for restraining the respondents from selling the sponge iron. The Respondent had filed the written statement on July 5, 2006. The matter is currently pending.

Patrau

Criminal Petitions

Litigation by JSPL

1. Mr. Avijit Ghosh, on behalf of JSPL has filed complaint petition (no. 1451 of 2009) before the Court of Chief Judicial Magistrate, Ranchi dated May 28, 2009 alleging bouncing of cheque for a sum of Rs 0.6 million, under section 138 of Negotiable Instruments Act, 1938, against Mr. Suresh Sharma, proprietor of M/S D.S. Industries Corporation.

2. Mr. Avijit Ghosh, on behalf of JSPL has filed complaint petition (no. 424/09) before the Court of Chief Judicial Magistrate, Ranchi dated August 18, 2009 alleging the loss of 12.24 million on account of forgery, impersonation, cheating in concert/ conspiracy with common intention with respect to sale of land admeasuring 82.40 acres bearing khasra no. 22, situated in village Girdharitand under section 419/420/465/467/120B/34 of the Indian Penal Code (the "IPC"), against Mr. Amit Kumar, Mr. Rajat Ghosh and Mr. Manoj Jha. Please refer to civil case (no. 1) below.

3. Mr. Avijit Ghosh, on behalf of JSPL has filed a complaint petition (no. 425/09) before the Court of Chief Judicial Magistrate, Ranchi dated August 18, 2009 alleging the loss of 7.06 million on account of forgery, impersonati on, cheating in concert/ conspiracy with common intention with respect to sale of land admeasuring 47.55 acres bearing khasra no. 7, situated in village Girdharitand under section 419/420/465/467/120B/34 of IPC, against Mr. Amit Kumar, Mr. Rajat Ghosh and Mr. Durga Prasad Jha. Please refer to civil case (no. 2) below.

Civil cases

1. Mr. Avijit Ghosh, on behalf of JSPL ("**Petitioner**"), has filed a title suit (no. 66/2009) before the Court of 1st Subordinate Judge, Bokaro, dated October 15, 2009 for setting aside the sale deed dated April 11, 2008 against Manoj Jha and others as it was executed fraudulently with the petitioner and for declaring the suit inoperative and invalid. Also, the Petitioner claimed for the recovery of *inter alia* a sum of a) Rs. 12.85 million; b) *advalerom* court fees; and c) cost of the suit.

2. Mr. Avijit Ghosh, on behalf of JSPL ("**Petitioner**"), has filed a title suit (no. 67/2009) before the Court of 1st Subordinate Judge, Bokaro, dated October 15, 2009 against Durga Prasad Jha and Others, for setting aside the sale deed dated April 11, 2008 as it was executed fraudulently with the petitioner and for declaring the suit inoperative and invalid. Also, the Petitioner, claimed for the recovery of *inter alia* a sum of Rs. 7.41 million; b) *advalerom* court fees; and c) cost of the suit.

Angul

Royalty cases

Litigation against JSPL

1. Tehsildar, Chhendipada issued notice (no. 472/Touzi) dated February 9, 2009 and notice (no 1590) dated June 29, 2009, under the provisions of Rule 68(1)(i) of the Orissa Minor Minerals Concession Rule, 2004 ("**Rules, 2004**"), directing JSPL to deposit a sum of Rs. 46.79 million as royalty along with 12% interest for the unauthorized act of lifting of the earth from jungle and village of Kalikata. Subsequently, Murali Dhar Sinha on behalf of JSPL ("**Petitioner**") filed a writ petition (no. 10222 of 2009) on July 17, 2009, against the State of Orissa and others ("**Respondents**") under Article 226 before the High Court of Orissa. The Petitioner has prayed for issuing a writ in the nature of mandamus or any other writ to show cause as to why the Impugned Notice shall not be quashed; to hereby stay the notice; to apply the *Rule Nisi Absolute*, where no satisfactory reason is available; and to pass any other order. Pursuant to the interim order dated August 11, 2009, the High Court has directed Respondent not to recover any amount from the Petitioner. The Court through the order dated October 12, 2009, has re-affirmed the interim order. The Respondents have not filed a counter affidavit. The matter is currently pending.

2. Assistant Collector- In Charge- Cum Tahsildar, Banarpal issued notice (No. 138/08-09) dated March 3, 2009, under the provisions of Rule 68(1)(i) of the Rules, 2004 ("**Impugned Notice**"), subsequent to the notice issued by Tahsildar, Banarpal on February 16, 2009 directing JSPL to deposit a sum of Rs. 0.91 million before March 13, 2009 as royalty for the unauthorized act of extracting and removing Moorum from village Badamahitala and using the same in construction and maintenance of civil works. Subsequently, Murali Dhar Sinha on behalf of JSPL ("**Petitioners**") filed a writ petition (no. 6067 of 2009) against State of Orissa and others ("**Respondents**") under Article 226 before the Orissa High Court, Cuttack Bench on April 15, 2009. The Petitioner has prayed for issuing a writ in the nature of mandamus or any other writ to the Respondents and to show cause as to why the Impugned Notice shall not be quashed; to apply the *Rule Nisi Absolute*, in case no satisfactory reason is available for the issue of the Impugned Notice; and to pass any other appropriate order. Pursuant to the interim order dated May 11, 2009, the High the Court has directed respondent not to recover any amount from the Petitioner. The Court through the order dated October 12, 2009, has re- affirmed the interim order. The Respondents have not filed a counter affidavit. The matter is currently pending.

3. Assistant Collector- In Charge- Cum Tahsildar, Banarpal issued notice (No. 139/08-09) dated March 3, 2009 under the provisions of Rule 68(1)(i) of the Rules, 2004 ("**Impugned Notice**") subsequent to the notice issued by Tahsildar, Banarpal on February 16, 2009, directing JSPL to deposit a sum of Rs. 12.36 million before March 13, 2009 as royalty, surface rent and penalty for the unauthorized act of extracting and removing Moorum from village Basudevpur and using the same in construction and maintenance of civil works. Subsequently, Murali Dhar Sinha on behalf of JSPL ("**Petitioners**") filed a writ petition (no. 6068 of 2009) against State of Orissa and others ("**Respondents**") under Article 226 before the Orissa High Court, Cuttack Bench on April 15, 2009. The Petitioner has prayed for issuing a writ in the nature of mandamus or any other writ to the Respondents and to show cause as to why the Impugned Notice shall not be quashed; to apply the *Rule Nisi Absolute*, in case no satisfactory reason is available; and to pass any other appropriate order. Pursuant to the interim order dated May 1, 2009, the High the Court has directed respondent not to recover any amount from the Petitioner. The Court through the order dated October 12, 2009, has re- affirmed the interim order. The Respondents have not filed a counter affidavit. The matter is currently pending.

4. Assistant Collector- In Charge- Cum Tahsildar, Banarpal issued notice dated March 3, 2009 under the provisions of Rule 68(1) (i) of the Rules, 2004 ("**Impugned Notice**"), subsequent to the notice issued by Tahsildar, Banarpal on February 16, 2009, directing JSPL to deposit a sum of Rs. 2.82 million before March 13, 2009 as royalty and penalty for the unauthorized act of extracting of minor minerals like stone and sand and using it in construction of road from village Niranjanpur to Ramadiha. Subsequently, Murali Dhar Sinha, on behalf of JSPL ("**Petitioners**") filed a writ petition (no. 6069 of 2009) against State of Orissa and others ("**Respondents**") under Article 226 before the Orissa High Court, Cuttack Bench on April 15, 2009. The Petitioner has prayed for issuing a writ in the nature of mandamus or any other writ to the Respondents and to show cause as to why the Impugned Notice shall not be quashed; to apply the *Rule Nisi Absolute*, in case no satisfactory reason is available; and to pass any other appropriate order. Pursuant to the interim order dated May 1, 2009, the High the Court

has directed respondent not to recover any amount from the Petitioner. The Court through the order dated October 12, 2009, has re- affirmed the interim order. The Respondents have not filed a counter affidavit. The matter is currently pending.

5. Assistant Collector- In Charge- Cum Tahsildar, Banarpal issued notice dated March 3, 2009 under the provisions of Rule 68(1) (i) of the Rules, 2004 ("**Impugned Notice**"), subsequent to the notice issued by Tahsildar, Banarpal on February 16, 2009, directing JSPL to deposit a sum of Rs. 0.15 million before March 13, 2009 as royalty and penalty for the unauthorized act of extracting of minor minerals for construction of godown and other houses within the premises JSPL boundary in village Ramadiah. Subsequently, Murali Dhar Sinha on behalf of JSPL ("**Petitioners**") filed a writ petition (no. 6070 of 2009) against State of Orissa and others ("**Respondents**") under Article 226 before the Orissa High Court, Cuttack Bench on April 5, 2009. The Petitioner has prayed for issuing a writ in the nature of mandamus or any other writ to the Respondents and to show cause as to why the Impugned Notice shall not be quashed; to apply the *Rule Nisi Absolute*, in case no satisfactory reason is available; and to pass any other appropriate order. Pursuant to the interim order dated May 1, 2009, the High the Court has directed respondent not to recover any amount from the Petitioner. The Court through the order dated October 12, 2009, has re- affirmed the interim order. The Respondents have not filed a counter affidavit. The matter is currently pending.

Miscellaneous case

Litigation against JSPL

Tensa and Barbil

Sales and Entry Tax matters

Litigation against JSPL

1. The Sales Tax Officer, Uditnagar, Rourkela, by an order dated February 21, 2009, has for the period 2005-06 raised an additional demand of Rs. 2.62 million due to non submission of certain statutory declaration thus making the amount for which declarations were not submitted chargeable to a higher rate of duty. JSPL filed an appeal before the Deputy Commissioner of Sales Tax, Rourkela on August 13, 2009 against the non availability of concessional rate of tax. The matter is currently pending.

2. The Joint Commissioner of Sales Tax, Rourkela, by an order dated June 17, 2009, has for the period 2006-07 raised an additional demand of Rs. 4.81 million including interest and penalty due to non submission of certain statutory declarations thus making the amount for which declarations were not submitted chargeable to a higher rate of duty. The additional liability imposed was Rs. 1.48 million as tax, Rs. 0.38 million and a penalty of Rs. 2.95 million. JSPL filed an appeal before the Additional Commissioner of Sales Tax, Cuttack on July 27, 2009 against the non availability of concessional rate of tax and imposition of penalty. The matter is currently pending.

3. The Joint Commissioner of Sales Tax, Rourkela, by an order dated June 17, 2009, has for the period 2006-07 imposed an interest of Rs. 0.15 million and penalty of Rs. 1.87 million on account of under declaration of value added tax. JSPL, on July 27, 2009 filed an appeal before the Additional Commissioner of Sales Tax, Cuttack against the imposition of penalty and interest. The matter is currently pending.

4. The Joint Commissioner of Sales Tax, Rourkela by an order dated June 17, 2009, for the year 2006-07, has raised an additional demand of Rs. 0.03 million along with interest amounting to Rs. 0.01 million and penalty amounting to Rs. 0.05 million under section 9C of the Orissa Entry Tax Act, 1999 alleging non payment of tax on schedule goods like bricks and under payment of entry tax on purchase of furniture. JSPL filed an appeal before the Additional Commissioner of Sales Tax, Cuttack against the order dated June 17, 2009. The matter is currently pending.

Royalty

Litigation against JSPL

Deputy Director of Mines, Koira, Sundargarh, issued a memo (no XII-14/01:367/Mines) dated January 13, 2004 directing JSPL to pay a sum of Rs. 13.30 million as an interest on the delayed payment of royalty in relation to Tantra-Raikela-Bhandal-Iron Mines for the period from November 1992, to March 1999. JSPL has replied on September 4, 2004, rejecting the claim. Subsequently, through the letter (no. 8570) dated September 29, 2004, the matter was referred by the Director of Mines, Koira to the Director of Mines, Bhubaneswar, Orissa. Thereafter, the Director of Mines, Bhubaneswar, issued notice (1039/Mines) dated May 28, 2007, directing JSPL to deposit the sum of Rs. 13.30 to which, JSPL replied on July 3, 2007, praying to drop the demand of the interest. The matter is currently pending.

Employment Exchange Notice

Litigation against JSPL

JSPL received a letter dated August 25, 2009 from District Employment Officer, Keonjhar alleging non submission of required date in time, variation in employment terms unreasonable, recruitment procedure not transparent, no post notified to the employer till now, violation of principles laid down in Government of Orissa resolution No. 7693-IIE-3-28/98-LE dated June 8, 1999. Pursuant to the above, the District Employment Exchange, Keonjhar issued a show cause notice dated August 25, 2009 alleging that during inspection held on June 3, 2009 for the period June 2008 to May 2009, it was revealed that JSPL had 374 employees at Barbil but no notification was given to the employment exchange about the same. JSPL was further asked to show cause within a fortnight. JSPL replied to the said show cause notice on September 4, 2009. The matter is currently pending.

Civil cases

Litigation against JSPL

1. Madhya Utilities & Investment Limited filed a writ petition (no. 3908/2006) before the High Court of Judicature at Bombay challenging the decision of the Union of India ("**UoI**") (Ministry of Coal) for having allocated the Gare Palma-IV coal block in favour of JSPL. JSPL became a party to the case via application (no. 5341/2007) dated July 21, 2007. The matter is currently pending before the High Court, Nagpur Bench.

2. The Government of Chhattisgarh imposed energy development cess of 10 paise per unit on sale or supply of electricity produced by captive power producers. JSPL filed a writ petition (no. 2384/2006) before the High Court of Bilaspur for discriminating between captive power producers and independent power producers while charging cess and terming Section 3(1-a) of the act as unconstitutional and ultra-vires. JSPL prayed the court to issue a writ of mandamus forbearing them from levying energy development cess and issue a writ of certiorari quashing the impugned bills by declaring them as void and inoperative. The High Court vide its order dated December 15, 2006 held the imposition of cess to be discriminatory. The state of Chhattisgarh filed a special leave petition (3853 of 2007) on February 20, 2007 before the Supreme Court against the judgment requesting the Supreme Court to grant interim relief and claimed an amount of Rs. 609.50 million. A counter affidavit was filed by JSPL declaring that the State of Chhattisgarh failed to make out a substantive case and their prayer for interim relief stands to be dismissed. The matter is currently pending.

3. Chhattisgarh State Electricity Board filed an appeal (no. 91/2007) on June 4, 2007 before the Appellate Tribunal, Electricity against the order dated April 20, 2007 for considering the renewal of transmission license of JSPL (initially known as 'M/s. Jindal Strips Limited') where the appellate authority ordered that by tapping the same at two places the same has now become a grid and thus JSPL did not require transmission license under the Electricity Act, 2003 for operating its dedicated transmission line. The order was challenged by Chhattisgarh State Electricity Board on the basis that it is contrary to the provisions of the Electricity Act, 2003 and discriminatory as it is also an existing transmission licensee in the state. Therefore, the Chhattisgarh State Electricity Board has requested the Tribunal to set aside the order; or to permit the Chhattisgarh State Electricity Board to also transmit electricity through its transmission network without a transmission license; or pass any other order it may deem fit. JSPL in its reply to the appeal prayed it as incorrect and requested the Tribunal to revive its transmission license; allow amendment of the transmission license to include transmission of power from JPL to JSPL premises. The matter is currently pending.

4. Adivasi Majdoor Kisan Ekta Sangthan filed an appeal (no. 26 of 2009) dated June 16, 2009 against the grant of environmental clearance for opening a new Gare IV Coal Mining project and a pithead coal washery of JSPL before the National Environment Appellate Authority, New Delhi, requesting it to pass an order quashing the clearance provided by the MoEF. Pursuant to the appeal, JSPL has filed its reply dated August 8, 2009 asking for dismissal of the appeal filed with costs. The matter is currently pending before the National Environment Appellate Tribunal and the next date of hearing is December 3, 2010.

5. NCA Marketing Company Pty Limited ("**NCA**"), pursuant to letter dated July 23, 2009, has submitted a request for arbitration with Transglobal Metals FZE ("**Transglobal**") and JSPL, in accordance with the LCIA Rules. The agreement under which NCA is claiming relief, and the right to have its claim submitted to arbitration, is a written contract titled "Coking Coal Sale and Purchase Agreement" dated May 30, 2008 ("**Coal Agreement**") that was entered into between NCA and Transglobal. Among other things NCA has alleged that Transglobal failed to take delivery of approximately 240,000 MT of coal that it had contracted to purchase thereby causing substantial loss to NCA. NCA has further alleged that Transglobal entered into the Coal Agreement as the agent for a disclosed principal, being JSPL and in substance, the Coal Agreement, is a contract between NCA and JSPL. NCA has prayed for recovery of damages, interest and costs from Transglobal or JSPL. JSPL replied to the said letter on August 26, 2009. The LCIA through procedural order dated November 9, 2009, has instructed the NCA, Transglobal and JSPL to submit memorials to the LCIA in order to determine the jurisdictional issued involved. The matter is currently pending.

Litigation by JSPL

Criminal cases

1. JSPL filed a complaint (complaint no. 1293/1/2005) dated June 6, 2005 against M/s. Tecon Project Private Limited for dishonoring a cheque issued to them of the value of Rs. 0.16 million before the Metropolitan Magistrate, Patiala House, New Delhi under sections 138 and 141 of the Negotiable Instruments Act, 1881 ("**Negotiable Instruments Act**"). The High Court issued a decree dated March 2, 2006 in favour of JSPL for an amount if Rs. 2,746,987 with additional interest of 6% p.a. The matter was presented before the High Court of New Delhi for execution of the decree passed and recovery of amount of the said amount. The matter is pending and the next date of hearing is on January 20, 2010.

2. JSPL filed two criminal complaint dated August 10, 2009 against M/s. Hari Engineering Company Private Limited for dishonoring cheques of the value of Rs. 1.86 million under Sections 138 and 141 of the Negotiable Instruments Act. The matter was filed before the Patiala House, New Delhi for an amount of Rs. 2,121,350 and 1,600,000 respectively. Summonses have been issued to M/s. Hari Engineering Company Private Limited (in the second matter involving the amount of Rs. 800,000) for appearance before the court on April 30, 2010. The matter is currently pending.

3. JSPL filed a criminal complaint dated August 10, 2009 against M/s. Shree Bihari Forgings Private Limited for dishonoring a cheque of the value of Rs. 0.99 million under sections 138 and 141 of the Negotiable Instruments Act. The matter was filed before the Patiala House, New Delhi for an amount twice of Rs. 989,199. The next date of hearing is on January 29, 2010.

Civil cases

1. JSPL filed a writ petition (W.P. (c) No. 5002/2008) under Article 227 read with Article 226 of the Constitution of India against the order dated June 28, 2008 of the Appellate Authority, Special Secretary, Department of Energy, Government of Chhattisgarh, under Rule 13 of the Madhya Pradesh Act, 1949. The petition was filed against the order for payment of electricity duty from sectors exempted from such duty vides notification dated August 18, 2003 before the High Court of Chhattisgarh at Bilaspur. JSPL has prayed that the court issue a writ of certiorari and quash the demand notice dated May 20, 2005; set aside the order dated June 28, 2005 and pass any other order it may deem fit. Thereafter the State of Chhattisgarh filed a reply and sought a payment of an amount of Rs. 274.33 million. The matter is currently pending.

2. JSPL filed a writ petition (W.P. (c) No. 6819/2008) under Article 227 read with Article 226 of the Constitution of India against demand notices dated December 9 2005 and March 2, 2006 and the order dated June 28, 2008 of the Appellate Authority, Government of Chhattisgarh, under Rule 13 of the Chhattisgarh State Electricity Duty Rules, 1949. The petition was filed before the High Court of Chhattisgarh at Bilaspur against the order for payment of electricity duty of Rs. 16.50 million for consumption of auxiliary power and to restrain them from recovering electricity duty and to pass any other appropriate order. The matter is currently pending.

3. JSPL filed an appeal (no. 3607-3610/2008) before the Supreme Court of India on May 15, 2008, against the order dated May 7, 2008 of Appellate Tribunal (Appeal No. 27 of 2006) for cancelling and setting aside the order granting the distribution license of JSPL to Jindal Industrial Park. The Appellate Tribunal upheld the decision of the CERC and held that the permission granted to JSPL for distribution of power was not in conformity with the Electricity Act, 2003. JSPL filed a petition before the Supreme Court praying for setting aside of the order passed by the Appellate Tribunal on May 7, 2008 to the extent that it holds that the earlier permissions/approvals did not constitute permission under Section 28 of the Electricity Act 1910; the principal of promissory estoppel has been incorrectly held not to apply in the facts of the case and to extent that it has been incorrectly held that the Section 10(2) of the Electricity Act does not entitle JSPL to undertake distribution without license. The matter is currently pending.

4. JSPL filed a writ petition (no. 8531/2008) on November 26, 2008, before the High Court of Delhi against the UoI (Ministry of Railways) ("**Respondents**") under Articles 19(1)(g) and 14 of the Constitution of India. The petition was filed against the Ministry of Railways for not having a competitive and transparent process of procuring rails, putting JSPL in a disadvantageous position and procuring rails only from a single source. JSPL, in the petition, has requested the court to issue a writ of mandamus or any other appropriate order directing the Respondents to procure the requirements of rails by process of competitive bidding only; direct the Respondent to empanel JSPL for the purpose of purchase of rails; and strike down the decision of Ministry of Railways to procure its entire requirement from only a single supplier without following a competitive process. The Respondents in its counter reply alleged that the contents of the civil writ petition are wrong and hence prayed for its dismissal. JSPL filed an urgent application on July 1, 2009 before the High Court of Delhi requesting it to join Steel Authority of India as Respondent no. 3 to enable the court to settle all the questions involved in the present writ petition. The matter is currently pending and the next date of hearing is February 26, 2010.

Competition Commission of India

Litigation filed by JSPL

JSPL submitted to the Competition Commission of India information about the breach of sections 3 and 4 of the Competition Act, 2002 by the Steel Authority of India Limited ("**SAIL**") on October 16, 2009. The same application was amended though amended information filed on October 27, 2009. JSPL has alleged that the SAIL had abused its dominant position in the market by entering into an exclusive supply arrangement with the Indian Railways for the supply of rails pursuant to a memorandum of understanding dated February 1, 2003, thereby denying access to JSPL. JSPL, among other things, also alleged that, the memorandum of understanding was violative of section 3(4) of the Competition Act, 2002, as it contained exclusive supply obligations and resulted in a refusal to deal with others thereby causing an appreciable adverse effect on competition on the relevant market in India. Among other things, JSPL has prayed for the introduction of a competitive bidding arrangement for the purchase of rails. The matter is currently pending.

2. Opelina

Cases against Opelina

Income Tax

The Income Tax Officer, Ward 13, New Delhi, pursuant to an assessment order and notice of demand dated December 1, 2008, imposed a demand of Rs. 0.60 million, in accordance with Rule 8D of the Income Tax Rules, 1962. The Income Tax Officer did not accept Opelina's claim that Opelina had

already disallowed expenses under section 14A of the IT Act and hence Rule 8D of the Income Tax Rules, 1962 should not be invoked. Aggrieved by the said order, Opelina filed an appeal before the CIT (A), New Delhi. The matter is currently pending.

V. Litigation involving our Group Companies

Except as mentioned below, there is no pending adjudicatory, regulatory or arbitral proceedings involving any of our Group Companies.

NSPL

Land Acquisition matter

Litigation by NSPL

Ms. Shanti Devi Agarwal has filed a case (no. 3323/2004) against the State of Chhattisgarh and others before the High Court of Chhattisgarh, in relation to acquisition of land admeasuring approximately 19.87 hectares. NSPL had applied for acquisition of land against which Ms. Shanti Devi Agarwal had obtained a stay order from the High Court of Chhattisgarh at Bilaspur. The amount involved is Rs. 3.35 million. The matter is currently pending.

Sales Tax matters

Litigation against NSPL

1. The Sales Tax Department imposed sales tax on coal purchased by NSPL from Mahanadi Coal Field Limited for which advance payment had already been made by NSPL due to absence of way bill with the material from Mahanadi Coal Filed Limited at Kanaktura gate at the Orissa border during its transportation. The matter is pending before the Additional Commissioner (Appeal), Sales Tax, Sambalpur, Orissa for the recovery of Rs. 0.98 million, for the year 2003-2004, deposited by NSPL.

2. The Sales Tax Department raised a demand of Rs. 268.46 million against NSPL rejecting its application for exemption for the seventh year under the "No Industrial Development Block" scheme. The rejection order issued by the District Level Committee was towards eligibility for the "No Industrial Development Block" benefit. Aggrieved by the same, NSPL has filed an appeal before the State Level Committee. The matter is currently pending.

3. The Commissioner (Appeal), Central Excise and Custom, Raipur, Chhattisgarh disallowed the service tax credit of NSPL for the year 2005-2006 on account of certain discrepancies like registration numbers not being provided on the bills of service providers and directed NSPL to pre-deposit Rs. 0.30 million for allotting dates for personal hearing, Aggrieved by the same, NSPL filed an appeal before the CESTAT, Delhi and has deposited a sum of Rs. 0.10 million in accordance with the orders of CESTAT, Delhi. The amount involved is Rs. 0.60 million. CESTAT has issued an order to the Commissioner (Appeal), Central Excise and Custom, Raipur, Chhattisgarh to remand the case. The matter is currently pending.

4. The Assistant Commissioner, Central Excise and Customs Division, Bilaspur disallowed the CENVAT credit of an amount of Rs. 0.28 million for the year 2007-2008 on structural steel used by NSPL in construction of steel based structures in its power plant on the ground that these structures are not covered under the purview of capital goods. The Commissioner (Appeal), Central Excise and Customs, allowed the same. Aggrieved by the same, Assistant Commissioner, Central Excise and Customs Division, Bilaspur filed an appeal before the CESTAT, Delhi. The matter is currently pending.

5. The Commissioner, Central Excise and Customs, Raipur disallowed an amount of Rs. 39.92 million for the years 2004-2009 on the ground that structural steel does not fall within the purview of capital goods. Aggrieved by the same, NSPL is in the process of filing and appeal before the CESTAT, Delhi.

6. The Assistant Commissioner, Central Excise and Customs, Division Bilaspur has raised a demand of Rs. 0.06 million as duty against NSPL for the year 2006-2007 towards reimbursement of expenses

incurred by the agent before receiving the material. The matter is pending before the Assistant Commissioner, Central Excise and Customs, Division Bilaspur, Chhattisgarh.

7. The Additional Commissioner, Central Excise and Customs, Division Raipur, has issued a show cause notice (no. V(Ch. 72) 16-248/ADC/BIL/2009/ADJ/6887) dated August 31, 2009 directing NSPL to show cause as to why a sum of Rs. 2.63 million as duty shall not be disallowed to NSPL against cenvat credit claimed on the paints and wielding electrodes used for repairing and maintenance of the plants for the years 2005- 2009, when the same is not is not eligible. The matter is currently pending for personal hearing.

8. The Commissioner of Central Excise and Customs, Division Raipur, has issued a show cause notice (no. V(Ch. 72) 15-365/COMMR/BIL/2009/ADJ/8358) dated November 4, 2009, directing NSPL to show cause as to why a sum of Rs. 47.57 million shall not be imposed on NSPL for the sponge iron sold by it for the period 2004- 2009 calculated on the basis of HDPE bags consumed. The matter is currently pending for personal hearing.

9. The Additional Commissioner, Customs and Central Excise, Raipur, issued a show cause notice dated December 15, 2009, asking NSPL to show cause as to why an amount of Rs. 1.45 million, including education and higher education cess, taken by them in respect of service tax paid on bills raised in relation to construction of railway siding, being a wrong and irregular credit, should not be recovered from them along with interest and penalty. NSPL is in process of filing a reply to the said show cause notice.

Income Tax Matters

Litigation against NSPL

1. The Additional Commissioner of Income Tax, Range 13, New Delhi, by way of an assessment order dated December 20, 2007, disallowed NSPL's claim for deduction of Rs. 56.55 million including Rs. 56.43 million as additional depreciation and Rs. 0.12 million as expenses incurred in relation to exempted dividend income, while computing NSPL's total income for the assessment year 2005-06. Further, NSPL was also instructed to add back provision made for gratuity amounting to Rs. 0.80 million while computing its book profit. NSPL filed an appeal before the CIT (A), New Delhi on January 21, 2008 against the order issued by the Additional Commissioner of Income Tax, Range 13, New Delhi. The CIT (A) pursuant to its order dated March 20, 2009 while confirming the disallowance of Rs. 56.43 million as additional depreciation enhanced the disallowance of expenses incurred in relation to exempted dividend income from Rs. 0.12 million to Rs. 2.26 million. However, the CIT (A), New Delhi held that the assessing officers action of adding back provision made for gratuity amounting to Rs. 0.80 million to the book profit was incorrect and the amount was to be deleted. Aggrieved by the said order, NSPL filed an appeal before the ITAT, New Delhi, on June 2, 2009. The matter is currently pending before the ITAT.

2. The Deputy Commissioner of Income Tax, Circle -13(1), New Delhi, by way of an assessment order dated December 24, 2008, disallowed NSPL's claim for a deduction of Rs. 40.64 million including Rs. 0.34 million as excess depreciation on UPS, Rs. 16.15 million as additional and excess depreciation on electrical installations and Rs. 24.15 million as additional depreciation on plant and machinery which were acquired before March 31, 2005 and but installed during Fiscal 2006, while computing NSPL's total income for the assessment year 2006-07. However, no demand was raised as the tax payable on book profit was more than tax on income as per normal provisions of the IT Act. NSPL filed an appeal before the CIT (A), New Delhi on January 27, 2009 challenging the order issued by the Deputy Commissioner of Income Tax, Circle -13(1), New Delhi. The matter is currently pending before the CIT(A).

Consumer cases

Litigation by NSPL

1. NSPL has filed a case (no. 330/07) against M/s. Goyal Road Carrier before the District Consumer Disputes Redressal Forum, Raigarh, Chhattisgarh for loss of material which had been handed over to

the transporter, M/s. Goyal Road Carrier, for delivery to a particular destination. NSPL has claimed an amount of Rs. 0.13 million. The matter is currently pending.

2. NSPL has filed a case (no. 63/06) against M/s. New Haryana Road Carrier before the District Consumer Disputes Redressal Forum, Raigarh, Chhattisgarh for loss of material which had been handed over to the transporter, M/s. New Haryana Road Carrier, for delivery to a particular destination. NSPL has claimed an amount of Rs. 0.45 million. The matter is currently pending.

Electricity Case

Litigation by NSPL

NSPL has filed a case (no. 3915 of 2006) against the Chhattisgarh State Electricity Board before the High Court, Chhattisgarh for imposition of electricity cess on JSPL and NSPL under Chhattisgarh state law. The High Court ruled in favor of NSPL. Aggrieved by the same, the Chhattisgarh State Electricity Board filed an appeal (no. 5172 of 2007) before the Supreme Court. The amount involved is Rs. 29.12 million. The matter is currently pending.

Jindal Steel Bolivia S.A.

Litigation against Jindal Steel Bolivia S.A.

ND International S.R.L. has initiated arbitration proceedings (Auto No 1 Process Arbitral No. 108/09) against Jindal Steel Bolivia S.A. claiming damages of USD 3.16 million for the undertaking activities like exploration and drilling pursuant to the contract executed by and between the parties. The matter is currently pending.

Jindal Realty Private Limited

Litigation against Jindal Realty Private Limited

Income Tax

1. The Assistant Commissioner of Income Tax, Circle 10(1), New Delhi, pursuant to an assessment order and notice of demand dated December 26, 2008, for the assessment year 2006-07, imposed a demand of Rs. 4.22 million, due to treatment of amounts earned as interest on advances from various corporate bodies and bank interest as income from other sources, as the company was yet to begin operations. Aggrieved by the said order, Jindal Realty Private Limited filed an appeal before the CIT (A), New Delhi. The matter is currently pending.

2. The Deputy Commissioner of Income Tax, Circle 4 (1), New Delhi, pursuant to an assessment order and notice of demand dated October 30, 2009, for the assessment year 2007-08, imposed a demand of Rs. 3.95 million, while noting that as the company was yet to begin operations, expenses claimed in the profit and loss account would be disallowed and the interest income will be assessed as income from other sources. Aggrieved by the said order, Jindal Realty Private Limited filed an appeal before the CIT (A), New Delhi. The matter is currently pending.

Civil cases

1. Mr. Ajeet has filed a suit against Jindal Realty Private Limited in the court of Civil Judge, Junior Division, Sonepat, praying for the issuance of a permanent injunction against Jindal Realty Private Limited thereby restraining Jindal Realty Private Limited from encroaching on the 11 ft. wide road which falls between the properties of Mr. Ajeet and Jindal Realty Private Limited. The matter is currently pending.

2. New Era has filed a suit against Jindal Realty Private Limited in the court of Civil Judge, Junior Division, Sonepat, praying for the issuance of a permanent injunction against Jindal Realty Private Limited thereby restraining Jindal Realty Private Limited from encroaching on the 11 ft. wide road which falls between the properties of New Era and Jindal Realty Private Limited. The matter is currently pending.

3. There are two applications pending under Order 9 Rule 13, pending before the Civil Judge, Senior Division, Sonepat, to which Jindal Realty Private Limited is a party. Mr. Ranveer and Mr. Krishna entered into an agreement to sell with New Era in 2005. However, a sale deed could not be executed. In 2006, Jindal Realty Private Limited entered into an agreement to sell with the land owners which later culminated into a sale deed. New Era then filed a civil suit in which an ex parte decree was passed declaring the sale deed between Jindal Realty Private Limited and the land owners as null and void. Thereafter, a sale deed was executed in November 2008 as per the orders of the court. Jindal Realty Private Limited thereafter filed applications for setting aside the ex parte decree.

Litigation by Jindal Realty Private Limited

Civil cases

1. Jindal Realty Private Limited has filed a suit for specific performance against Ms. Sunita and others in the court of the Civil Judge, Senior Division, Sonepat. Jindal Realty Private Limited has alleged that the defendants wrongfully represented that they were owners of land admeasuring 14 kanal and 7 marlas whereas they only held 9 kanal and 7 marlas. On the basis of the wrongful representation, Jindal Realty Private Limited entered into an agreement to sell with the defendants on October 28, 2005 and also paid an amount of Rs. 1.26 million. Hence, Jindal Realty Private Limited has filed the suit for specific performance of the agreement to sell. The matter is currently pending.

2. Jindal Realty Private Limited has filed a suit for specific performance against Mr. Prem and others in the court of the Civil Judge, Senior Division, Sonepat. Jindal Realty Private Limited has alleged that despite an agreement to sell being executed and Rs. 1.08 million having been paid to the defendants as earnest money, they failed to execute the sale deed in favour of Jindal Realty Private Limited. Accordingly, Jindal Realty Private Limited filed the suit for specific performance of the agreement to sell. The matter is currently pending.

3. Jindal Realty Private Limited has filed a suit for specific performance against Mr. Prem and others in the court of the Civil Judge, Senior Division, Sonepat. Jindal Realty Private Limited has alleged that despite an agreement to sell being executed and Rs. 0.55 million having been paid to the defendants as earnest money, they failed to execute the sale deed in favour of Jindal Realty Private Limited. Accordingly, Jindal Realty Private Limited filed the suit for specific performance of the agreement to sell. The matter is currently pending.

4. Jindal Realty Private Limited has filed a suit for specific performance against Mr. Gyani Ram and others in the court of the Civil Judge, Senior Division, Sonepat. Jindal Realty Private Limited has alleged that Mr. Gyani Ram and another failed to execute a sale deed in favor of Jindal Realty Private Limited in respect of land admeasuring 16 kanal, despite part of the consideration amounting to Rs. 12.00 million having been paid to them. Moreover, after taking an amount of Rs. 0.78 million for purchase of stamp paper, Mr. Gyani Ram and another executed the sale deed in respect of the land in favour of a third party. Hence, Jindal Realty Private Limited has filed this suit for specific performance of the agreement to sell. The matter is currently pending.

5. Jindal Realty Private Limited has filed a suit for recovery of money against Mr. Rameshwar in the court of Civil Judge, Senior Division, Sonepat. Jindal Realty Private Limited has alleged that Mr. Rameshwar falsely represented that he was the owner of land admeasuring 5 kanal and 15 marlas on the basis of which an agreement to sell was executed with him on March 28, 2006 and earnest money amounting to Rs. 0.54 million was also paid. Accordingly, Jindal Realty Private Limited has filed the suit for recovery of money. The matter is currently pending.

6. Jindal Realty Private Limited has filed a suit for specific performance and recovery of money against Mr. Murari Lal in the court of the Civil Judge, Senior Division, Sonepat. Jindal Realty Private Limited has alleged that Mr. Murari Lal wrongfully represented that he held land admeasuring 3 kanal and 3 marlas on the basis of which an agreement to sell was executed with him on December 9, 2005 and further earnest money amounting to Rs. 2.13 million was also paid. However, later it came to light that Mr. Murari Lal only held 2 kanal and 14 marlas. Hence, Jindal Realty Private Limited filed the suit for possession by way of specific performance. The matter is currently pending.

7. Jindal Realty Private Limited filed a suit for specific performance and recovery of money against Mr.

Azad Singh and others in the court of the Civil Judge, Senior Division, Sonepat. JSPL has alleged that the defendants wrongfully represented that they held lands admeasuring 25 kanal and 3 marlas when their actual holding was lesser. Based on the above representation, Jindal Realty Private Limited entered into an agreement to sell with the defendants and also paid an amount of Rs. 1.76 million as earnest money. Jindal Realty Private Limited alleges that an excess amount of Rs. 1.00 million was paid to the defendants based on the wrongful representation. Accordingly, Jindal Realty Private Limited filed the suit for specific performance and recovery of money. The matter is currently pending.

8. Jindal Realty Private Limited has filed a suit for recovery of money against Mr. Randhir Singh and others in the court of the Civil Judge, Senior Division, Sonepat. Jindal Realty Private Limited has alleged that Mr. Randhir Singh and others wrongfully represented that they were owners of land admeasuring 1 kanal and 8 marlas on the basis of which an agreement to sell was executed with them and consideration amounting to Rs. 0.96 million was also paid. However, the Mr. Randhir Singh and others failed to execute the sale deed in favour of Jindal Realty Private Limited as they did not own the land. Accordingly, Jindal Realty Private Limited filed the suit for recovery of money. The matter is currently pending.

Criminal cases

1. Jindal Realty Private Limited has filed a complaint against Mr. Satya Pal and others, in the court of the Ikkaqya Magistrate, Sonepat, under section 156(3) of the Code of Criminal Procedure, 1973, to register a complaint under sections 406, 420 120B and 506 of the Indian Penal Code. Jindal Realty Private Limited has alleged that the accused has taken an excess amount of Rs. 2.13 million by means of fraud and misrepresentation, against the land that was sold to Jindal Realty Private Limited on April 1, 2009. The matter is currently pending.

Raigarh Electrodes Limited

Litigation against Raigarh Electrodes Limited

Excise

1. The Additional Commissioner, Central Excise and Customs, Raipur, issued a show cause notice dated February 21, 2008, asking Raigarh Electrodes Limited to show cause as to why, for the period 2002-03 to 2004-05, total central excise duty amounting to Rs. 1.64 million, including education cess, should not be recovered along with interest and penalty, on account of removing excisable goods such as iron-ore and coal, to the tune of Rs. 10.10 million without payment of duty. The Additional Commissioner, Central Excise and Customs, Raipur, pursuant to an order dated November 17, 2009, confirmed the demand of Rs. 1.64 million, further imposed a penalty amounting to Rs. 1.64 million and ordered the same to be recovered along with interest. Raigarh Electrodes Limited is in the process of filing an appeal before the Commissioner (Appeals), Central Excise and Customs, Raipur.

Abhinandan Investments Limited

Litigation against Abhinandan Investments Limited

Income Tax

1. The Assessing Officer vide assessment order dated April 22, 1993, under section 143(3) of the IT Act, for the assessment year 1992-93, imposed a demand of Rs. 12.49 million on Abhinandan Investments Limited. Abhinandan Investments Limited sold shares held as investments and treated such gains as capital gains. The Assessing Officer treated the shares as stock in trade and assessed the gain as business income as against investments shown by the Abhinandan Investments Limited. Further, such gains were set off by loss on sale of rights of Jindal Iron & Steel Company Limited renounced in favour of group companies. However, such loss was disallowed by the Assessing Officer alleging the same to be notional loss and the transactions being with group companies. Aggrieved by the said order, Abhinandan Investments Limited filed an appeal before the CIT (A) who confirmed the order of the Assessing Officer. Abhinandan Investments Limited filed an appeal before the ITAT which deleted the entire addition vide its order dated January 12, 2001. Aggrieved by the said order, the income tax

department filed an appeal before the High Court of Delhi. The appeal has been admitted by the High Court of Delhi. The matter is currently pending.

2. The Assessing Officer vide assessment order dated March 27, 1998, under section 143(3) of the IT Act, for the assessment year 1995-96, imposed a demand of Rs. 26.03 million on Abhinandan Investments Limited. Abhinandan Investments Limited disallowed loss on sale of NCD's / warrants of Jindal Iron & Steel Company Limited alleging that the loss was intentionally injected. Abhinandan Investments Limited filed an appeal before the CIT (A) who confirmed the order of the Assessing Officer. Abhinandan Investments Limited filed an appeal before the ITAT which deleted the entire addition vide its order dated June 5, 2000. Aggrieved by the said order, the income tax department filed an appeal before the High Court of Delhi, which also decided the appeal in favour of the Abhinandan Investments Limited. Thereafter, the income tax department filed a special leave petition before the Supreme Court. The matter is currently pending.

3. The Assessing Officer vide assessment order dated February 29, 2000, under section 143(3) of the IT Act, for the assessment year 1997-98, imposed a demand of Rs. 5.30 million on Abhinandan Investments Limited. The Assessing Officer imposed the demand in relation to the merger of Jindal Ferro, whose shares Abhinandan Investments Limited held, with Jindal Strips Limited. According to the Assessing Officer, Abhinandan Investments Limited earned profit due to the amalgamation as the cost of shares of Jindal Ferro were low as compared to the market rate of shares of Jindal Strips Limited received pursuant to such amalgamation. Abhinandan Investments Limited filed an appeal before the CIT (A) who confirmed the order of the Assessing officer. Abhinandan Investments Limited filed an appeal before the ITAT which deleted the entire addition vide its order dated February 17, 2005. Aggrieved by the said order, the income tax department filed an appeal before the High Court of Delhi. The appeal has been admitted by the High Court of Delhi. The matter is currently pending.

4. The Assessing Officer vide assessment order dated December 14, 2007, under section 143(3) of the IT Act, for the assessment year 2005-06, imposed a demand of Rs. 8.92 million on Abhinandan Investment Limited. Abhinandan Investments Limited had received a loan from its group company in which Abhinandan Investments Limited held shares. The Assessing Officer took the view that the provisions of section 22 (ee) of the IT Act were applicable in this case and hence treated the loan as deemed dividend. Abhinandan Investment Limited filed an appeal against this order before the CIT (A). The matter is currently pending.

Nalwa Investments Limited

Litigation against Nalwa Investments Limited

Income Tax

1. The Assessing Officer vide order dated May 19, 1995, under section 143(3) of the IT Act, for the assessment year 1993-94, imposed a demand of Rs. 18.36 million on Nalwa Investments Limited. Nalwa Investments Limited had sold shares which were held as investments and treated such gains as capital gains. The Assessing Officer treated shares as stock in trade as against investments and assessed the gains under the head business income. Nalwa Investments Limited set off such gains by loss on sale of rights of Jindal Strips Limited renounced during the year. Such loss was disallowed by the Assessing Officer as being notional and the transactions being with group companies. Nalwa Investments Limited filed an appeal before the CIT (A) which was dismissed. Nalwa Investments Limited filed an appeal before the ITAT which sent back the matter to CIT (A) vide its dated August 5, 1997. The matter is currently pending before the CIT (A).

2. The Assessing Officer vide order dated February 29, 2000, under section 143(3) of the IT Act, for the assessment year 1997-98 imposed a demand of Rs. 22.78 million on Nalwa Investments Limited. The Assessing Officer imposed the demand in relation to the merger of Jindal Ferro, whose shares Nalwa Investments Limited held, with Jindal Strips Limited. According to the Assessing Officer, Nalwa Investments Limited earned profit due to the amalgamation as the cost of shares of Jindal Ferro were low as compared to the market rate of shares of Jindal Strips Limited received pursuant to such amalgamation. Nalwa Investments Limited filed an appeal before the CIT (A) who confirmed the order of the Assessing Officer. Nalwa Investments Limited filed an appeal before the ITAT which deleted the entire addition vide its order dated February 17, 2005. Aggrieved by the said order, the income tax

department filed an appeal before the High Court of Delhi. The appeal has been admitted by the High Court of Delhi. The matter is currently pending.

3. The Assessing Officer on June 26, 2009, under section 271(1) (C) of the IT Act, for the assessment year 1999-2000, imposed a penalty of Rs. 7.39 million. The company claimed interest expenditure as business expenditure which was disallowed by the Assessing Officer under section 14A of the IT Act who thereafter imposed penalty on such disallowance. Aggrieved by the said order, Nalwa Investment Limited filed an appeal CIT (A) on July 21, 2009. The matter is currently pending.

4. The Assessing Officer pursuant to an order dated January 31, 2006, assessed the dividend income earned by Nalwa Investments Limited as business income and the same was set off by brought forward business loss. However, pursuant to an order passed by the Commissioner of Income Tax under section 263 of the IT Act dated March 7, 2008 and an order passed under sections 143(3) / 263 of the IT Act on July 30, 2008 by the Assessing Officer, for the assessment year 2003-04, a demand of Rs. 2.19 million was imposed on Nalwa Investments Limited. The Commissioner of Income Tax in his order dated March 7, 2003 held that dividend income was to be assessed under the head income from other sources and hence brought forward loss could not have been adjusted against the income from other sources. Nalwa Investments Limited filed an appeal before the ITAT against the order of the Commissioner of Income Tax. The ITAT vide its order dated March 26, 2009, quashed the order passed by the Commissioner of Income Tax. However, the income tax department thereafter filed an appeal before the High Court of Delhi. The matter is currently pending.

5. The Assessing Officer vide order dated August 28, 2006, passed under section 143(3) of the IT Act, for the assessment year 2004-05, imposed a demand of Rs. 4.29 million on Nalwa Investments Limited. The Assessing Officer disallowed interest expenditure claimed by Nalwa Investments Limited under section 14A of the IT Act by alleging that the expenditure was incurred to earn dividend income. Nalwa Investments Limited filed an appeal before the CIT (A) which was dismissed. Aggrieved by the said order Nalwa Investments Limited filed an appeal before the ITAT, which sent back the matter to the Assessing Officer, vide order dated November 21, 2008, to compute the disallowance afresh. In the meantime, the income tax department filed an appeal before the High Court of Delhi. The matter is currently pending.

6. The Assessing Officer on March 30, 2009, under section 271(1) (C) of the IT Act, for the assessment year 2005-06, imposed a penalty of Rs. 3.93 million on Nalwa Investments Limited. The company claimed interest expenditure as business expenditure which was disallowed by the Assessing Officer under section 14A of the IT Act who thereafter imposed penalty on such disallowance. Aggrieved by the said order, on April 22, 2009, Nalwa Investments Limited filed an appeal against the order before the CIT (A). The matter is currently pending.

7. The Assessing Officer vide assessment order dated August 24, 2007, for the assessment year 2005-06 imposed a demand of Rs. 0.26 million on Nalwa Investments Limited. The claim of Nalwa Investments Limited is that the Assessing Officer did not adjust carry forward losses while computing the income for the assessment year. Nalwa Investments Limited filed a rectification petition under section 154 of the IT Act on May 5, 2009. The rectification petition is still pending though the amount has been adjusted against other refunds.

8. The Assessing Officer vide order dated September 9, 2008, for the assessment year 2006-07, imposed a demand of Rs. 0.26 million on Nalwa Investments Limited. The Assessing Officer disallowed interest expenditure claimed by Nalwa Investments Limited under section 14A of the IT Act by alleging that the expenditure was incurred to earn dividend income. Aggrieved by the said order, Nalwa Investments Limited filed an appeal before the CIT (A) on November 21, 2008. The matter is currently pending.

9. The Assessing Officer vide order dated November 23, 2009, for the assessment year 2007-08, imposed a demand of Rs. 1.11 million on Nalwa Investments Limited. The Assessing Officer disallowed interest expenditure claimed by Nalwa Investments Limited under section 14A of the IT Act by alleging that the expenditure was incurred to earn dividend income. Nalwa Investments Limited is in the process of filing an appeal against the said order.

India Flysafe Aviation Limited

Litigation against India Flysafe Aviation Limited

Income Tax

1. The Deputy Commissioner of Income Tax, New Delhi, pursuant to assessment order and notice of demand dated December 31, 2005 for the assessment year 2005-06 disallowed an amount of Rs. 18.43 million for lease rent on account of failure to furnish the confirmation letter regarding payment of lease rent. Due to this, the losses claimed in the computation were reduced to the extent of rent. However, no demand was raised. Aggrieved by the said order, India Flysafe Aviation Limited filed an appeal before the CIT (A)-XV, New Delhi. The matter is currently pending before CIT (A).

2. The Deputy Commissioner of Income Tax, New Delhi, pursuant to assessment order and notice of demand dated December 31, 2005 imposed a demand of Rs. 2.18 million for the assessment year 2006-07 on account of disallowance of an amount of Rs. 25.00 million shown to have been received by India Flysafe Aviation Limited as share capital and share premium. The amount of Rs. 25.00 million was treated as non-genuine by the Deputy Commissioner of Income Tax, New Delhi and brought to tax as income from undisclosed sources. Aggrieved by the said order, India Flysafe Aviation Limited filed an appeal before the CIT (A)-XV, New Delhi. The matter is currently pending before CIT (A).

None of the cases involving the group companies materially affect the Company.

VI. AMOUNT OWED TO SMALL SCALE UNDERTAKINGS/CREDITORS

Our Company does not owe any amount to any micro, small and medium enterprises which is outstanding for more than 30 days.

VII. MATERIAL DEVELOPMENTS

Except as stated in the "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 188 in the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of its consolidated assets or our ability to pay material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business and except as mentioned below, no further material approvals are required for carrying on our present business operations.

Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities.

I. APPROVALS FOR THE ISSUE

Corporate Approvals

Our Board of Directors has, pursuant to resolution passed at its meeting held on December 10, 2009 authorised the Issue, subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act.

Our shareholders have, pursuant to a resolution dated December 11, 2009 under section 81(1A) of the Companies Act, authorised the Issue.

Approvals from Stock Exchanges

In-principle approval from the NSE dated [●].

In-principle approval from the BSE dated [●].

Approvals from Lenders

All approvals required from the lenders in relation to the Issue have been obtained.

II. INCORPORATION AND OTHER DETAILS

Jindal Power Limited

- Certificate of incorporation dated January 30, 1995 issued to the Company by the Registrar of Companies, Madhya Pradesh and Chhattisgarh, Gwalior.
- Certificate for commencement of business dated April 27, 1995 issued to the Company by the Registrar of Companies, Madhya Pradesh and Chhattisgarh, Gwalior.
- Approval for professional membership with the Indian Energy Exchange Limited granted to our Company by the Indian Energy Exchange Limited through letter (no. IEX/MEM/133/08) dated August 4, 2008.

Subsidiaries

Chhattisgarh Energy Trading Company Limited

- Certificate of Incorporation dated August 17, 2004 issued to Chhattisgarh Energy Trading Company Private Limited by the registrar of companies, National Capital Territory of Delhi and Haryana.
- Fresh certificate of incorporation dated February 29, 2008 issued, consequent upon change of name on conversion to a public limited company, to Chhattisgarh Energy Trading Company Limited, by the registrar of companies, National Capital Territory of Delhi and Haryana.
- Licence as a category ‘C’ trader granted through licence (no. 34/Trading/CERC) dated September 16, 2008 to Chhattisgarh Energy Trading Company Private Limited by the Central Electricity Regulatory

Commission to trade in electricity as an electricity trader. This licence is valid for a period of 25 years from the date of its issue, unless revoked earlier. The category 'C' licence has been re-classified as category 'II' licence under the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading license and other related matters) Regulations, 2009 enacted pursuant to notification (no. L-7/143/158/2008-CERC) dated February 16, 2009 by the Central Electricity Regulatory Commission.

- Trading cum Clearing membership of Power Exchange India Limited granted on a provisional basis to Chhattisgarh Energy Trading Company Private Limited through letter (no. PXIL/MEM/011/2008) dated October 24, 2008.

Jindal Power Transmission Limited

- Certificate of incorporation dated June 23, 2008 issued to Jindal Power Transmission Limited by the registrar of companies, National Capital Territory of Delhi and Haryana.

- Certificate for commencement of business dated July 29, 2008 to Jindal Power Transmission Limited by the registrar of companies, National Capital Territory of Delhi and Haryana.

Jindal Power Distribution Limited

- Certificate of incorporation dated August 27, 2008 issued to Jindal Power Distribution Limited by the registrar of companies, National Capital Territory of Delhi and Haryana.

- Certificate for commencement of business dated September 15, 2008 issued to Jindal Power Distribution Limited by the registrar of companies, National Capital Territory of Delhi and Haryana.

Jindal Hydro Power Limited

- Certificate of incorporation dated May 1, 2008 issued to JSPL Hydro Power Limited by the registrar of companies, National Capital Territory of Delhi and Haryana.

- Fresh certificate of incorporation dated October 23, 2008 issued, consequent upon change of name to Jindal Hydro Power Limited, by the registrar of companies, National Capital Territory of Delhi and Haryana.

- Certificate for commencement of business dated May 13, 2008 issued to JSPL Hydro Power Limited by the registrar of companies, National Capital Territory of Delhi & Haryana.

Etalin Hydro Electric Power Company Limited

- Certificate of incorporation dated May 16, 2009 issued to Etalin Hydro Electric Power Company Limited by the registrar of companies, Assam, Tripura, Manipur, Nagaland, Meghalaya, Arunachal Pradesh and Mizoram.

- Certificate for commencement of business dated August 12, 2009 issued to Etalin Hydro Electric Power Company Limited by the registrar of companies, Assam, Tripura, Manipur, Nagaland, Meghalaya, Arunachal Pradesh and Mizoram.

Attunli Hydro Electric Power Company Limited

- Certificate of incorporation dated May 19, 2009 issued to Attunli Hydro Electric Power Company Limited by the registrar of companies, Assam, Tripura, Manipur, Nagaland, Meghalaya, Arunachal Pradesh and Mizoram.

- Certificate for commencement of business dated August 12, 2009 issued to Attunli Hydro Electric Power Company Limited by the registrar of companies, Assam, Tripura, Manipur, Nagaland, Meghalaya, Arunachal Pradesh and Mizoram.

Synergy Infrastructures Private Limited

- Certificate of Incorporation dated October 22, 2008 issued to Synergy Infrastructures Private Limited by the Assistant Registrar, Office of the Company Registrar, Ministry of Industry, Commerce and Supplies, Government of Nepal.

III. PROJECT RELATED APPROVALS

We are required to obtain certain approvals from the Central/concerned State government departments and other authorities for setting up our projects and operating the same. These include:

- Approvals from various departments of the Government of India depending on the nature of the project. For example, approval from the Ministry of Coal ("**MoC**") related to development of captive coal block, environmental approvals from the Ministry of Environment and Forests ("**MoEF**") and chimney height approvals from the Airports Authority of India;
- Approvals such as consents to establish and operate a project, environmental clearances and authorizations to draw water, from concerned departments of state governments;
- Approvals from Ministry of Power to obtain benefits associated with mega power project status, depending upon the nature and size of the project;
- Techno Economic Clearance from the CEA for the hydroelectric projects; and
- Any other approvals that may be required by local authorities on a case to case basis.

We apply for approvals, licenses and registrations at the appropriate stage of development of each project. Therefore, as the projects are progressively implemented, commissioned and operated, we will require other approvals. The failure to obtain these approvals in a timely manner or at all can result in delays or prevent a project from being commissioned. For details, see "***Risk Factors***" on page xiii.

A. OPERATIONAL PLANT

Tamnar I Project

Approvals received

- Intimation from the Energy Department, Government of Madhya Pradesh to the Chairman, Central Electricity Authority through letter (no. F-3/35/94) dated February 6, 1996 regarding the establishment, operation and maintenance of the 1,000 MW thermal power plant by our Company.

- In-principle clearance accorded by the Central Electricity Authority, GoI through letter (no. 2/MP/28/96-PAC/195) dated March 30, 1996 to our Company to facilitate our Company to proceed with various commercial and financial tie-ups/arrangements for setting up of the 2x250 MW coal based thermal power plant at Tamnar, Distt. Raigarh, Madhya Pradesh.

- Permission accorded by the Energy Department, Government of Madhya Pradesh through letter (no. 354/F.3/35/13/94) dated February 12, 1997 to our Company for the establishment, operation and maintenance of the 1,000 MW coal based thermal power project in Tamnar, Tehsil Gharghoda, Distt. Raigarh, Madhya Pradesh as required under section 18A of the Electricity (Supply) Act, 1948.

- Permission from the Department of Water Resources, Government of Madhya Pradesh through letter (no. 29/1/91/Madhyam/31/Power/2001/D4) dated April 5, 1997 for increase in the water carrying capacity of the dam from 30.32 mcm to 30.82 mcm.

- Environmental clearance accorded by the MoEF, GoI through letter (no. J.13011/15/93-IA.II(T)) dated September 24, 1997 to our Company for setting up of 2x275 MW coal based thermal power plant as Stage I of the 1,000 MW plant at Tamnar, Raigarh, Madhya Pradesh. The environmental clearance was revalidated through letter (no. J.13011/15/93-IA.II(T)) dated August 19, 2004 from the MoEF, GoI.

- Techno-economic clearance accorded by the Central Electricity Authority through letter (no. 2/MP/28/95-PAC/14279-304) dated November 17, 1997 to our Company for the 2x275 MW Raigarh thermal power project (Phase I) for an estimated completed cost of US$ 85.176 million + DEM 240.676 million + Rs. 16,280.75 million at specified foreign exchange rates.

- Allocation of Gare-Palma IV/2 and IV/3 coal blocks (having geological reserves of 100 and 110 mt. respectively) by the MoC, GoI to our Company through letter (no. 47011/15/95-CPAM) dated July 1, 1998 for captive use for supply of coal to the 1,000 MW thermal power plant at Raigarh, Chhattisgarh.

- Approval of the Department of Revenue, Government of Madhya Pradesh granted through letter (no. F-12-32/96/7-9) dated December 17, 1999 addressed to the Collector, Raigarh for the acquisition of 322.539 ha. private land, under the provisions of the Land Acquisition Act, by our Company for the construction of dam over the Kurket river.

- Approval of the Department of Revenue, Government of Madhya Pradesh granted through letter (no. F-12-32/96/MTR-9) dated December 19, 1999 addressed to the Collector, Raigarh for the acquisition of 596.163 ha. private land by our Company for construction of thermal power project.

- No-objection certificate (no. AAI/20012/258/2000-ARI(NOC)) dated June 20, 2000 issued to our Company by the Airports Authority of India for a height 275.00M AGL/518.00M AMSL (S.E. 243.00M).

- Approval of mining plan (Phase I) granted by the MoC, GoI through letter (no. 13016/3/2000-CA) dated January 25, 2001 to our Company for Gare Palma IV/2 and IV/3 under section 5(2)(b) of the Mines and Mineral (Development & Regulation) Act, 1957 for captive coal mining.

- Permission to establish issued by the Chhattisgarh Environment Conservation Board ("**CECB**") through letter (no. 5304/TS/CECB/2004) dated December 31, 2004 to our Company for an open cast coal mine (5.25 million tones per annum) at Village Dongamouha, Dhaurabhata, Kondkel, Tapranga, Kosampali, Libra (Gare-Palma coal block IV/2); Lambdharha, Sarasmal, Libra, Kondkel, Tihali Rampur, Kosampali (Gare-Palma coal block IV/3), Tamnar Block, Gharghoda Taluk, Distt. Raigarh.

- 'Mega' status conferred on our 1,000 MW thermal power plant at Raigarh, Chhattisgarh by the Ministry of Power, GoI through letter (no. A-118/2003-IPC) dated June 28, 2005.

- Letter (No. J-13011/15/2003 IA II (T)) dated June 24, 2005 issued by the MoEF, GoI to our Company amending the conditions of the environmental clearance letter dated September 24, 1997 including the change of 2x275 MW units to the 2x250 MW units of the 1,000 MW coal based thermal power project at Tamnar, Raigarh, Chhattisgarh.

- Approval for diversion of 177.542 hectares of forest land by the MoEF, GoI through letter (no. 8-93/2003-FC) dated August 8, 2005 in favour of our Company for construction of storage dam/reservoir over River Kurket for the 1,000 MW thermal power plant.

- Permission from Water Resources Department, Chhattisgarh for drawal of water from Kurket Reservoir for the 1,000 MW coal based power project dated January 14, 2008

- Certificate of registration (no. BSP-54[1]/2006-ALC) dated January 9, 2006 granted under Section 7(2) of the Contract Labour (Regulation & Abolition) Act, 1970 and rules made thereunder for employment of more than 400 workers per day in our Company's open cast coal mine, Distt. Raigarh, Chhattisgarh for mining development works by the Office of the Registering Officer and Assistant Labour Commissioner (Central), Bilaspur, Chhattisgarh, Ministry of Labour & Employment, GoI.

- Consent accorded by CECB through letter (no. 423/TS/CECB/2006) dated January 27, 2006 to our Company for the Jindal Power open cast coal mines project under section 21 of the Air Act. This consent was renewed by CECB through letter (no. 4792/TS/CECB/2009) dated September 23, 2009 for a period of one year from May 1, 2009 until April 30, 2010 for a production capacity of 5.25 million tonnes per annum.

- Consent accorded by CECB through letter (no. 421/TS/CECB/2006) dated January 27, 2006 to our Company for the Jindal Power open cast coal mines project under sections 25 and 26 of the Water Act. This consent was renewed by CECB through letter (no. 4790/TS/CECB/2009) dated September 23, 2009 for a period of one year from May 1, 2009 until April 30, 2010 for a production capacity of 5.25 million tonnes per annum.

- Order of the Office of Sub Divisional Officer, Raigarh dated April 28, 2006 directing our Company to lay an underground pipeline for water transportation from village Rabo to village Tamnar in Tehsil Gharghora in District Raigarh.

- Environmental clearance accorded by the MoEF, GoI through letter (no. J-13011/8/2006-IA.II(T)) dated June 8, 2006 to our Company for Stage II (2x250 MW) of the 1,000 MW thermal power plant at Tamnar, Raigarh, Chhattisgarh. The environmental clearance is valid for a period of five years for starting construction/operation of the power plant.

- Order of the Department of Power, Government of Chhattisgarh according approval through letter (no. 2014/13/UV/VA/PLN/2006) dated August 25, 2006 to our Company for the construction of a 254 km. long 400 KV double circuit transmission line under section 68 of the Electricity Act, 2003.

- Grant of license (No. P/HQ/CG/15/574 (P165203) dated January 18, 2007 for the importation and storage of 5,000 K.L. petroleum of class C by the Chief Controller of Explosives. The license is valid until December 31, 2009.

- Renewal of license (no. G/HO/CG/05/79(G20584)) dated June 14, 2007 for filling of cylinders with compressed gas (Hydrogen) at Gharghoda, Raigarh, Chhattisgarh granted by the Joint Chief Controller of Explosives, Central Circle Office, Agra through letter dated December 3, 2007. The license is valid until September 30, 2012.

- Renewal of license (no. G/HO/CG/06/69(G20584)) dated June 14, 2007 for possession of cylinders (160 in number) filled with compressed gas (Hydrogen) at Gharghoda, Raigarh, Chhattisgarh granted by the Joint Chief Controller of Explosives, Central Circle Office, Agra through letter dated December 3, 2007. The license is valid until September 30, 2012.

- Renewal of license (no. G/CC/CG/06/250(G22372)) dated May 14, 2008 for possession of cylinders filled with compressed gas (chlorine) at Gharghoda, Raigarh, Chhattisgarh granted by the Deputy Chief Controller of Explosives, Bhopal through letter dated September 24, 2008. The license is valid until September 30, 2013.

- Renewal of license (no. G/CC/CG/06/252(G22373)) dated February 29, 2008 for possession of cylinders filled with compressed gas (chlorine) at Gharghoda, Raigarh, Chhattisgarh granted by the Deputy Chief Controller of Explosives, Bhopal through letter dated September 24, 2008. The license is valid until September 30, 2013.

- Renewal of license (no. G/CC/CG/06/251(G22374)) dated February 29, 2008 for possession of cylinders filled with compressed gas (chlorine) at Gharghoda, Raigarh, Chhattisgarh granted by the Deputy Chief Controller of Explosives, Bhopal Sub-circle Office, Bhopal through letter dated September 24, 2008. The license is valid until September 30, 2013.

- Consent to operate from the CECB through letter (No. 4960/TS/CECB/2007) dated September 7, 2007 under section 21 of the Air Act to our Company for the proposed 2x250 MW Phase I (1,000 MW) coal based thermal power plant. The consent has been revalidated through letter (No. 6160/TS/CECB/2009) dated November 20, 2009 under section 21 of the Air Act to our Company for the 2x250 MW (Phase I) for a period from December 8, 2008 to November 30, 2011.

- Consent from the CECB through letter (No. 4958/TS/CECB/2007) dated September 7, 2007 under section 25/26 of the Water Act to our Company for the proposed 2x250 MW Phase I (1,000 MW) coal based thermal power plant. The consent has been revalidated through letter (no. 6158/TS/CECB/2009) dated November 20, 2009 under sections 25 and 26 of the Water Act to our Company for the 2x250 MW (Phase I) for a period from December 8, 2008 to November 30, 2011.

- Consent to operate from the CECB through letter (No. 36/NI/Raigarh/CECB/2007) dated September 7, 2007 for discharge of effluent under section 25/26 of the Water Act to our Company for the 2x250 MW Phase I (1,000 MW) coal based thermal power plant. The consent is valid for three months from the first day of the month of commissioning of the plant and subject to further renewal.

- Consent from the CECB through letter (No. 1985/TS/CECB/2008) dated April 22, 2008 under section 25/26 of the Water Act to our Company for the proposed 2x250 MW Phase II (1,000 MW) coal based thermal power plant to assess adequacy of pollution control equipments. The consent has been revalidated through letter (no.6158/TS/CECB/2009) dated November 20, 2009 under sections 25 and 26 of the Water Act to our Company for the 2x250 MW (Phase II) for a period from April 16, 2009 to November 30, 2011.

- Consent from the CECB through letter (No. 14/NI/Raigarh/CECB/2008) dated April 22, 2008 for discharge of effluent under sections 25 and 26 of the Water Act to our Company for the 2x250 MW Phase II (1,000 MW) coal based thermal power plant. The consent is valid for three months from date of commissioning of the plant, with expanded capacity and subject to further renewal.

- Consent from the CECB through letter (No. 1987/TS/CECB/2008) dated April 22, 2008 under section 21 of the Air Act to our Company for the proposed 2x250 MW Phase II (1,000 MW) coal based thermal power plant. The consent has been revalidated through letter (No. 6160/TS/CECB/2009) dated November 20, 2009 under section 21 of the Air Act to our Company for the 2x250 MW (Phase II) for a period from April 16, 2009 to November 30, 2011.

- Certificate of commencement of production through letter nos. (17/FA/2008/673 and 17/FA/2008/867) dated September 2, 2008 and December 30, 2008 to our Company by the Directorate of Industries, Chhattisgarh, for 750 MW of the 1,000 MW power plant. Additional certificate of commencement of production through letter (no. 17/FA/2008/115) dated February 7, 2009 to our Company by the Directorate of Industries, Chhattisgarh, for the additional 250 MW unit of the 1,000 MW power plant.

- Certificates of registration (ref. nos. 6/27/2008; 6/28/2008; 6/29/2008 and 6/30/2008) dated December 12, 2008 issued by the Boiler Inspectorate, Chhattisgarh, Raipur, for the boiler (registration nos. CG/245; CG/246; CG/247 and CG/248) at the 4x250 MW (1,000 MW) power plant, under the provisions of the Indian Boilers Act, 1923.

- Permission issued by the CECB through letter (no. 457/TS/CECB/2007) dated February 3, 2007 to our Company to establish a coal washery within the mining lease area of coal block - Gare IV/2 and IV/3, Jindal open cast coal mine project at Village Dhonrabhata and Libra, Block Tamnar, Tehsil Gharghoda, Distt. Raigarh.

- Provisional order (no. B/119/08) dated January 14, 2009 issued by the Boiler Inspectorate, Chhattisgarh, Raipur to our Company under section 9 of the Indian Boilers Act, 1923 for the use of water tube boiler (registry no. CG/246) at a maximum pressure of 182.5 kg. per square c.m. pending the issue or refusal of a certificate within six months from January 14, 2009 to July 13, 2009 after which period the order will become void.

- Grant of licence to work a factory (licence no. 5166/5166/B-5/RGH/2MCI) dated April 8, 2009 by the Government of Chhattisgarh to our Company for the 1,000 MW power plant located at Tehsil Tamnar, Distt. Raigarh, Chhattisgarh. This licence is valid until December 31, 2009.

- Provisional order (no. B/21/09) dated June 10, 2009 issued by the Boiler Inspectorate, Chhattisgarh, Raipur to our Company under section 9 of the Indian Boilers Act, 1923 for the use of water tube boiler (registry no. CG/248) at a maximum pressure of 182.5 kg. per square c.m. pending the issue or refusal of a certificate within six months from June 4, 2009 to December 3, 2009 after which period the order will become void.

- Approval of the MoC, GoI accorded through letter (no. 13016/3/2000-CA-1) dated August 3, 2009 to our Company for enhancement of mine capacity from 5.25 Mty. to 6.25 Mty. of the revised mining plan dated February, 2007 for Gare IV/2 and IV/3 sub block in Gare Palma area, Raigarh, Chhattisgarh.

- Provisional order (no. G/PO/42/09) dated September 18, 2009 issued by the Boiler Inspectorate, Chhattisgarh, Raipur to our Company under section 9 of the Indian Boilers Act, 1923 for the use of water tube boiler (registry no. CG/247) at a maximum pressure of 182.5 kg. per square c.m. pending the issue or refusal of a certificate within six months from September 18, 2009 to March 17, 2010 after which period the order will become void.

- Provisional order (no. G/PO/51/09) dated October 12, 2009 issued by the Boiler Inspectorate, Chhattisgarh, Raipur to our Company under section 9 of the Indian Boilers Act, 1923 for the use of water tube boiler (registry no. CG/245) at a maximum pressure of 182.5 kg. per square c.m. pending the issue or refusal of certificate within six months from August 12, 2009 to February 11, 2010 after which period the order will become void.

- Permissions accorded by the Office of the Chief Electrical Inspector, Government of Chhattisgarh to our Company in relation to installation of a power station, installation of various high pressure electricity installations and high pressure cable and supply of power.

Approvals applied for

- Application dated January 17, 2008 made by our Company to the General Manager, District Industry Centre, Raigarh for grant of exemption for electricity duty as per the Industrial Policy of the Government of Chhattisgarh.

B. PROJECTS UNDER IMPLEMENTATION

Tamnar II Project

Approvals received

- Letter from MoEF, GoI dated March 31, 2009 to our Company prescribing the terms of reference ("**TOR**") for undertaking detailed Environment Impact Assessment study as per the provisions of the EIA Notification, 2006 for 2,400 MW (4x600 MW) thermal power plant at Tamnar, Distt. Raigarh, Chhattisgarh.

- Handing over of the approval for allotment of 35 mcm (on annual basis) of water from the Mahanadi River granted to Nalwa Steel & Power Limited, New Delhi, through letter dated October 27, 2007 by the Water Resources Department, Government of Chhattisgarh to our Company by way of letter (no. 3384/F 4-47/31/OJP/S-2/2007) dated June 25, 2008 by the Water Resources Department, Government of Chhattisgarh for the 1,260 MW (2x630 MW) thermal power plant, Raigarh, Chhattisgarh.

- Handing over of the approval for allotment of 35 mcm (on annual basis) of water from the Mahanadi River granted to Opelina Finance and Investment Limited, New Delhi, through letter dated October 27, 2007 by the Water Resources Department, Government of Chhattisgarh to our Company by way of letter (no. 2748/F 4-51/31/OJP/S-2/2007) dated May 23, 2008 for the 1,260 MW (2x630 MW) thermal power plant, Raigarh, Chhattisgarh.

- Transfer of the approval for allotment of 70 mcm (on annual basis) of water from the Mahanadi River, earlier with Opelina Finance and Investment Limited and Nalwa Steel & Power Limited for 35 mcm (on annual basis) each, accorded to our Company by the Water Resources Department, Government of Chhattisgarh through letter (no. 1042/29/1/91/M/31/OJP/01/D-4) dated February 26, 2009 for the 2,640 MW (4x660 MW) thermal power plant.

Approvals applied for

- Application dated December 28, 2007 made by our Company to the MoC, GoI for grant of long term coal linkage for two additional TG sets of 660MW each at Tamnar, Raigarh for increase in capacity of the power project from 1,000 MW to 2,320 MW.

- Application dated May 15, 2008 made by our Company to the MoC, GoI for grant of long term coal linkage for four additional TG sets of 660MW each at Tamnar, Raigarh for increase in capacity of the power plant from 1,000 MW to 3,640 MW.

- Applications dated June 3, 2008 made by our Company to the Convener, State Investment Promotion Board, Raipur for allotment of 20.855 ha of government land and for acquisition of 302.224 ha of private land the 2x660 MW power project.

- Applications dated October 20, 2008 made by our Company to the Convener, State Investment Promotion Board, Raipur for allotment of 231.974 ha of private land and 9.114 ha of government land for the 2x660 MW power project.

- Application dated November 4, 2008 made by our Company to the Additional Director (Industries), Directorate of Industries, Raipur for acquisition of 449.005 ha of private land and 6.637 ha of government land for 2x660 MW power plant.

- Application dated May 18, 2009 made by our Company to the Director (Projects), PGCIL for long term open access for 1,420 MW (instead of 2,400 MW requested earlier) and connectivity for 2,184 MW power.

- Application dated September 24, 2009 to the Airports Authority of India, Raipur, for issuance of no-objection certificate for construction of two 275 metres high chimney for the power plant at Tamnar, Distt. Raigarh, Chhattisgarh.

- Application dated June 24, 2009 to the Member Secretary, CECB, Raipur for grant of public hearing for the 4x600 MW thermal power plant, as per the rules prescribed in EIA notification dated September 14, 2006.

Dumka Project

The Dumka Project was being developed previously by JSPL. Pursuant to an assignment agreement the project is being assigned to our Company. Subject to receipt of all applicable regulatory approvals, the project would be developed by our Company.

In this regard, an application dated November 19, 2009 has been made by JSPL to the Secretary, Department of Industries, Government of Jharkhand, Ranchi for assignment of the MoU between JSPL and Government of Jharkhand dated November 8, 2007 to our Company for the development of 1,500 MW thermal power plant at Dumka, Jharkhand.

Set forth below are the approvals received by JSPL in relation to the Dumka Project which may be either assigned to us or for which our Company may make fresh applications to the relevant authorities for grant of such approvals.

Approvals received

- Concurrence from the Water Resources Department, Government of Jharkhand through letter (No. 2/PMC/Water Supply-26/2008,1486) dated November 21, 2008 for drawal of 36 mcm (on an annual basis) of water through storage intervention; 20.84 mcm water from Dwarka river and 15.16 mcm water from Brahmani river 21.45 km away from the downstream of confluence of Brahmani and Gumra rivers in Bansloi – Torai, Brahmani and other stream sub basin to JSPL to meet the demand for establishment of the 1,000 MW thermal power plant in Sikaripara Block, District Dumka, Jharkhand.

Approvals applied for

- Applications dated March 6, 2009 and March 19, 2009 made by JSPL to the Deputy Commissioner, Dumka, Jharkhand for acquisition of land of approximately 860 acres raiyat land in Shikaripara Block, Distt. Dumka for setting up the thermal power plant.

- Application dated April 1, 2009 made by JSPL to the Deputy Commissioner, Dumka, Jharkhand for acquisition of land of approximately 257.38 acres in Shikaripara Block, Distt. Dumka for setting up the thermal power plant.

Godda Project

The Godda Project was being developed previously by JSPL. Pursuant to an assignment agreement the project is being assigned to our Company. Subject to receipt of all applicable regulatory approvals, the project would be developed by our Company.

In this regard, an application dated November 19, 2009 has been made by JSPL to the Secretary, Department of Industries, Government of Jharkhand, Ranchi for the assignment of the MoU between JSPL and Government of Jharkhand dated July 5, 2005 to our Company for the development of 1,000 MW thermal power plant at Godda, Jharkhand.

Set forth below are the approvals applied for by JSPL in relation to the Godda Project which may be either assigned to us or for which our Company may make fresh applications to the relevant authorities for grant of such approvals.

Approvals applied for

- Application made by JSPL to the Secretary, Department of Revenue & Land Reforms, Government of Jharkhand through letter dated March 25, 2009 for acquisition of 570.76 acres of tenancy land in village Kairajori, Paharpur and Rampur of Sunderpahari Anchal, Thana Sunderpahari, Distt. Godda, Jharkhand for setting up a 1,000 MW (2x500 MW) power plant.

- Application dated March 25, 2009 made by JSPL to the Deputy Commissioner, Godda, Jharkhand for grant of sanction order for settlement/lease of 123.099 acres of gair mazarua khas land in Sunderpahari Anchal, Distt. Godda, Jharkhand for industrial purpose.

- Application dated May 7, 2008 made by JSPL to the Secretary, Department of Water Resources, Government of Jharkhand for allocation of 25 mcm water (on annual basis) from Sunder dam in Boarijore Block, Distt. Godda for setting up the 500 MW as first phase of the 1,000 MW thermal power plant. This application was not allowed vide letter dated November 2, 2008 from the Department of Water Resources, Government of Jharkhand on account of certain constraints including raising the height of the dam for storage of additional water.

- Application dated July 10, 2009 made by JSPL to the Chief Engineer, Planning & Monitoring, Department of Water Resources, Government of Jharkhand for allocation of 25 mcm water from Sunder dam in Boarijore Block, Distt. Godda for setting up the 500 MW as first phase of the 1,000 MW thermal power plant with revised report prepared by its consultants, M/s. Sigma R.D. Consultants Private Limited.

- Application dated June 19, 2009 to the District Land Acquisition Officer, Godda towards payment of 80% value of compensation amount aggregating Rs. 108.98 million in favour of Zila Bhu-Arjan Padadhikari, Godda for acquisition of 875.67 acres raiyati land in Sunderpahari Anchal, Distt. Godda for coal block and infrastructure.

Etalin Project

Approvals received

- Clearance accorded by the MoEF to our Subsidiary, Etalin Hydro, through letter (no. J-12011/60/2006-IA.I) dated November 30, 2009 for preconstruction activities as per the provisions of EIA Notification, 2006.

Attunli Project

Approvals received

- Clearance accorded by the MoEF to our Subsidiary, Attunli Hydro, through letter (no. J-12011/61/2006-IA.I) dated November 30, 2009 for preconstruction activities as per the provisions of EIA Notification, 2006.

Subansiri Middle Project

No applications have been made so far for the relevant approvals.

C. PROJECT UNDER PLANNING

2,640 MW Jharkhand Project

No applications have been made so far for the relevant approvals.

Angul Project

The Angul Project was being developed previously by JSPL. Pursuant to an assignment agreement the project is being assigned to our Company. Subject to receipt of all applicable regulatory approvals, the project would be developed by our Company.

In this regard, an application dated November 18, 2009 has been made by JSPL to the Chairman, Industrial Promotion and Investment Corporation of Orissa Limited, Bhubaneswar for the assignment of the MoU between JSPL and the Government of Odisha dated February 7, 2009 to our Company for the development of the 1,320 MW thermal power plant at Boinda, Distt. Angul, Odisha.

Nepal Project

Approvals received

- Survey license (license no. D.E.D. 066/67 E.G.S. 529) issued by the Department of Electricity Development, Ministry of Energy, Government of Nepal through letter (no. 844-066/67) dated November 19, 2009 to our Company to conduct survey for generation of electricity from the Chainpur Seti hydro electricity project as per section 4(2) of the Electricity Act, 2049 and Rule 8 of the Electricity Rules, 2050. The license is valid from November 18, 2009 to November 18, 2011.

D. NON-CONVENTIONAL PROJECTS

Solar Project

Approvals applied for

- Application dated September 24, 2008 made by our Company to the Managing Director, Rajasthan Renewable Energy Corporation, Jaipur for grant of approval for setting up a 500 MW solar power plant.

IV. MISCELLANEOUS APPROVALS FOR OUR BUSINESS

We require the following approvals to carry on our business in India.

Approvals received

- Permanent Account Number (AABCJ4683J) issued by the Income Tax Department under the Income Tax Act, 1961.
- Tax Deduction Account Number (DELJ04516B) allotted under the Income Tax Act, 1961.
- Tax Identification Number (22034901715) issued on March 13, 2004 by the Commercial Tax Officer, Raigarh, Chhattisgarh.
- Certificate of Registration (Registration No. 97/GTA/ST/RGH/2005) issued on March 24, 2005 by the Superintendent, Customs and Central Excise, Raigarh under section 69 of the Finance Act, 1994 (32 of 1994) with the Central Excise Department for payment of service tax on service of goods transport agency.
- Registration under the Central Sales Tax Act, 1956 issued by the Commercial Tax Officer, Raigarh, Chhattisgarh.
- Certificate of Importer-Exporter Code (1105006425) issued by the Foreign Trade Officer from the Office of the Joint Director General of Foreign Trade, Ministry of Commerce, GoI dated February 1, 2006.

Approvals applied for

- Application dated December 23, 2009 made by our Company to the Trade Marks Registry, Government of India, New Delhi for registration of ‘ ’ name and logo under the Trade Marks Act, 1999.

The above approvals are valid as on the date of filing of this Draft Red Herring Prospectus. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted upon their expiry.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

- Our Board of Directors has, pursuant to a resolution passed at its meeting held on December 10, 2009 authorized the Issue.
- Our shareholders have, pursuant to a resolution dated December 11, 2009 under section 81(1A) of the Companies Act, authorized the Issue.
- We have received in-principle approvals from the BSE and the NSE for the listing of our Equity Shares pursuant to letters dated [●] and [●], respectively. [●] is the Designated Stock Exchange.

Prohibition by SEBI, RBI or governmental authorities

Our Company, our Promoters, Promoter Group, Directors, Group Companies and natural persons in control of our Promoters, have not been prohibited from accessing the capital markets for any reasons under any order or direction passed by SEBI or any other authorities.

Except Mr. Arun Kumar Purwar, who is also a director on the board of India Infoline Limited, none of our Directors is associated with the securities market and there has been no action taken by the SEBI against any of our Directors or any entity where our Directors are involved in as promoters or directors.

Neither our Company, our Promoters, Group Companies, nor our Directors, have been identified as willful defaulters by the RBI or other authorities. There are no violations of securities laws committed by any of them in the past or pending against them.

Eligibility for the Issue

The Company is eligible for the Issue in accordance with Regulation 26(2) of the SEBI Regulations, which states as follows:

"*An issuer not satisfying any of the conditions stipulated in sub-regulation (1) may make an initial public offer if:*

(a) *(i) the issue is made through the book building process and the issuer undertakes to allot at least fifty per cent. of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make allotment to the qualified institutional buyers ;*

or

(ii) at least fifteen per cent. of the cost of the project is contributed by scheduled commercial banks or public financial institutions, of which not less than ten per cent shall come from the appraisers and the issuer undertakes to allot at least ten per cent of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make the allotment to the qualified institutional buyers;

(b) *(i) the minimum post-issue face value capital of the issuer is ten crore rupees;*

or

(ii) the issuer undertakes to provide market-making for at least two years from the date of listing of the specified securities, subject to the following:

(A) the market makers offer buy and sell quotes for a minimum depth of three hundred specified securities and ensure that the bid-ask spread for their quotes does not, at any time, exceed ten per cent.;

(B) the inventory of the market makers, as on the date of allotment of the specified securities, shall be at least five per cent. of the proposed issue."

- We are an unlisted company and we do not have a track record of distributable profits in terms of Section 205 of the Companies Act as specified in Regulation 26(1)(b) of SEBI Regulations. Therefore, we are required to meet both the conditions detailed in Regulation 26(2)(a) and Regulation 26(2)(b) of the SEBI Regulations.

- We are complying with Regulation 26 (2)(a)(i) of the SEBI Regulations and at least 60% of the Net Issue is proposed to be allocated to QIBs (in order to comply with the requirements of Rule 19(2)(b) of the SCRR) and in the event we fail to do so, the full subscription monies shall be refunded to the Bidders.

- We are complying with the second proviso to Regulation 43(2) of the SEBI Regulations and Non-Institutional Bidders and Retail Individual Bidders will be allocated not less than 10% and 30% of the Issue respectively, subject to valid bids being received.

- We are also complying with Regulation 26(2)(b) of the SEBI Regulations and the post-Issue face value capital of the Company shall be more than the minimum requirement of Rs. 10 crore, i.e., Rs. 100 million.

Hence, we are eligible for the Issue under Regulation 26(2) of the SEBI Regulations.

Further, in accordance with Regulation 26(4) of the SEBI Regulations, we shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000, otherwise the entire application money shall be returned forthwith.

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 15 days from the date of Bid/Issue Closing Date, whichever is earlier), then our Company shall, on and from expiry of eight days, be liable to repay the money, with interest at the rate of 15% *per annum* on application money, as prescribed under Section 73 of the Companies Act.

Further, the Issue is subject to the fulfillment of the following conditions as required by Rule 19(2)(b) of SCRR:

- A minimum 2,000,000 Equity Shares (excluding reservations, firm allotments and promoters contribution) are offered to the public;

- The Issue size, which is the Issue Price multiplied by the number of Equity Shares offered to the public, is a minimum of Rs. 1,000 million; and

- The Issue is made through the Book Building Process with allocation of at least 60% of the Net Issue size to QIBs as specified by SEBI.

Compliance with Part A of Schedule VIII of the SEBI Regulations

The Company is in compliance with the provisions specified in Part A of Schedule VIII of the SEBI Regulations.

Disclaimer Clause of 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 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 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 BEING, JM FINANCIAL CONSULTANTS PRIVATE LIMITED, ENAM SECURITIES PRIVATE LIMITED, DEUTSCHE EQUITIES INDIA PRIVATE LIMITED, GOLDMAN SACHS (INDIA) SECURITIES PRIVATE

LIMITED, ICICI SECURITIES LIMITED, SBI CAPITAL MARKETS LIMITED AND UBS SECURITIES INDIA PRIVATE LIMITED AND THE CO-BOOK RUNNING LEAD MANAGER, MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. 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 COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, JM FINANCIAL CONSULTANTS PRIVATE LIMITED, ENAM SECURITIES PRIVATE LIMITED, DEUTSCHE EQUITIES INDIA PRIVATE LIMITED, GOLDMAN SACHS (INDIA) SECURITIES PRIVATE LIMITED, ICICI SECURITIES LIMITED, SBI CAPITAL MARKETS LIMITED AND UBS SECURITIES INDIA PRIVATE LIMITED AND THE CO-BOOK RUNNING LEAD MANAGER, MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED DECEMBER 29, 2009 WHICH READS AS FOLLOWS:

"(1)WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.

(2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

(a) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(b) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(c) THE DISCLOSURES MADE IN THE DRAFT RED HERRING 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 SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

(3) WE CONFIRM THAT BESIDE OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.*

(4) WE HAVE SATISFIED OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – NOTED FOR COMPLIANCE.

(5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE

DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

(6) WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.

(7) WE UNDERTAKE THAT SUB-REGULATION (4) of REGULATION 32 AND CLAUSE (c) AND (d) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL 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 SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH PROCEEDS OF THE PUBLIC ISSUE-NOT APPLICABLE.

(8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY 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 COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

(9) 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 SUB-SECTION (3) OF SECTION 73 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 COMPANY SPECIFICALLY CONTAINS THIS CONDITION - NOTED FOR COMPLIANCE.

(10) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE.

(11) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS), 2009, HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

(12) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:

(a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY AND

(b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME."

(13) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS), 2009, WHILE MAKING THE ISSUE.

(14) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC.

(15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS), 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY,

*******The SEBI merchant banking registration of Goldman Sachs (India) Securities Private Limited and UBS Securities India Private Limited, two of the BRLMs, was valid until December 11, 2009 and May 15, 2009, respectively, and are currently subject to renewal. Application for renewal of the certificates of merchant banking registration have been made by Goldman Sachs (India) Securities Private Limited and UBS Securities India Private Limited to SEBI. The approval of SEBI in this regard is presently awaited.*

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, 1956 or from the requirement of obtaining such statutory and 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 BRLMs and the CBRLM any irregularities or lapses in the Draft Red Herring Prospectus.

Caution – Disclaimer from our Company and the BRLMs and the CBRLM

Our Company, our Directors, the BRLMs and the CBRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisement or any other material issued by or at the instance of above mentioned entities and anyone placing reliance on any other source of information, including our website, www.jindalpower.com, would be doing so at his own risk.

The BRLMs and the CBRLM accept no responsibility, save to the limited extent as provided in the Agreement entered into among the BRLMs, the CBRLM and our Company dated [●] 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 and the CBRLM 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 our Company nor the Syndicate shall be liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

The BRLMs, the CBRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and our group companies, affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company and our group companies, affiliates or associates for which they have received, and may in future receive, compensation.

Investors that Bid in the Issue will be required to confirm and will be deemed to have represented to our Company and 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 of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our 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 Equity Shares of our Company.

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 authorized 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 authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to permitted non residents including Eligible NRIs, Foreign Institutional Investors ("**FIIs**") and other eligible foreign investors (viz. Foreign Venture Capital Investors ("**FVCIs**"), multilateral and bilateral development financial institutions). 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 jurisdiction of appropriate court(s) in New Delhi, India 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 observations. Accordingly, our Company's 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 sale hereunder shall, under any circumstances, create any implication that there has been no change in our Company's affairs 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") and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as "QIBs") in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) outside the United States in reliance on Regulation S under the Securities Act.

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.

Until the expiry of 40 days after the commencement of the Issue, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Equity Shares Offered and Sold within the United States

Each purchaser that is acquiring the Equity Shares issued pursuant to this Issue within the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with the Company, the BRLMs and the CBRLM that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Equity Shares issued pursuant to this Issue in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Equity Shares issued pursuant to this Issue have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and are subject to restrictions on transfer;

(3) the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a qualified institutional buyer with respect to which it exercises sole investment discretion;

(4) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

(5) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States;

(6) the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;

(7) the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act;

(8) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

(9) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

(10) the purchaser acknowledges that the Company, the BRLMs, the CBRLM, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Equity Shares Offered and Sold in this Issue

Each purchaser that is acquiring the Equity Shares issued pursuant to this Issue outside the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares issued pursuant to this Issue, will be deemed to have acknowledged, represented to and agreed with the Company, the BRLMs and the CBRLM that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Equity Shares issued pursuant to this Issue in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Equity Shares issued pursuant to this Issue have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and are subject to restrictions on transfer;

(3) the purchaser is purchasing the Equity Shares issued pursuant to this Issue in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act;

(4) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares issued pursuant to this Issue, was located outside the United States at the time the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United Sates or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

(5) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

(6) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States;

(7) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

(8) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

(9) the purchaser acknowledges that the Company, the BRLMs, the CBRLM, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Each person in a Member State of the EEA which has implemented the Prospectus Directive (each, a “Relevant Member State) who receives any communication in respect of, or who acquires any Equity Shares under, the offers contemplated in this Draft Red Herring Prospectus will be deemed to have represented, warranted and agreed to and with each Underwriter and the Company that:

1. it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

2. in the case of any Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Equity Shares acquired by it in the placement have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Underwriters has been given to the offer or resale; or (ii) where Equity Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Equity Shares to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an "offer of Equity Shares to the public" in relation to any of the Equity Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus will be submitted to the BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing with the RoC.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The Disclaimer Clause as intimated by NSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing with the RoC.

Filing

A copy of this Draft Red Herring Prospectus is being filed with SEBI at Corporation Finance Department, SEBI Bhavan, Plot No. C4-A, G Block, 3rd Floor, Bandra Kurla Complex, Bandra (E), 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 at the office of the Registrar of Companies, Madhya Pradesh and Chhattisgarh at 3rd Floor, A Block, Sanjay Complex, Jayendra Ganj, Gwalior, Madhya Pradesh, India.

Listing

Applications will be made to the Stock Exchanges for permission to deal in and for an official quotation of our Equity Shares. [●] will be the Designated Stock Exchange with which the basis of Allotment will be finalized for the Issue.

If the permission to deal in and for an official quotation of our Equity Shares is not granted by either of the Stock Exchanges mentioned above we will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within eight days after the Company becomes liable to repay it, i.e. from the date of refusal or within 15 days from the Bid/Issue Closing Date, whichever is earlier, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within seven Working Days of finalization of the basis of Allotment for the Issue.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A 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."

Consents

Consents in writing of: (a) the Directors, the Deputy Company Secretary and Compliance Officer, the Auditors, Bankers to the Company, the lenders and Bankers to the Issue; and (b) the BRLMs, the CBRLM and Syndicate Member, Escrow Collection Bankers, Registrar to the Issue and the legal advisors, to act in their respective capacities, have been obtained and would 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 have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

The Auditors, Lodha & Co., Chartered Accountants, have given their written consent to the inclusion of their report in the form and context in which it appears in "***Financial Statements***" on page F1 and of their report relating to tax benefits accruing to our Company in the form and context in which it appears in "***Statement of Tax Benefits***" on page 51 and such consent and report have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

[●], the 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 its report in the form and context in which it will appear in the Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus with the RoC and Designated Stock Exchange.

Expert Opinion

Except the report of [●] in respect of the IPO grading of this Issue which will be annexed with the Red Herring Prospectus and except for the Examination Report of the Auditors of our Company on the restated financial information included in this Draft Red Herring Prospectus, we have not obtained any expert opinions.

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately Rs. [●] million. 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 shall be borne by our Company.

The estimated Issue expenses are as under:

S.No.	Activity Expense	Amount (Rs. millions)	Percentage of Total Issue Expenses	Percentage of Total Issue Size
1.	Lead management fees*	[●]	[●]	[●]
2.	Underwriting and selling commission*(including commission to SCSBs for ASBA Applications)	[●]	[●]	[●]
3.	Registrar's fees*	[●]	[●]	[●]
4.	Advertisement and marketing expenses*	[●]	[●]	[●]
5.	Printing and distribution expenses*	[●]	[●]	[●]
6.	IPO Grading expenses*	[●]	[●]	[●]
7.	Advisors*	[●]	[●]	[●]
8.	Bankers to the Issue*	[●]	[●]	[●]
9.	Others (Monitoring agency fees, SEBI filing fees, bidding software expenses, depository charges, listing	[●]	[●]	[●]

S.No.	Activity Expense	Amount (Rs. millions)	Percentage of Total Issue Expenses	Percentage of Total Issue Size
	fees, etc.) *			
	Total	**[●]**	**[●]**	**[●]**

**Will be incorporated at the time of filing of the Prospectus.*

Fees payable to the BRLMs, the CBRLM and the Syndicate Member

The total fees payable to the BRLMs, the CBRLM and the Syndicate Member (including underwriting commission and selling commission) will be as per their respective engagement letters with the BRLMs and the CBRLM 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 us to the Registrar to the Issue for processing of Bid-cum-Application Forms, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated [●] between us and the Registrar to the Issue, 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 make refunds or send Allotment advice by registered post/speed post/under certificate of posting.

Particulars Regarding Public or Rights Issues during the Last Five Years

Our Company has not made any previous public and rights issues in India or abroad in the five years preceding the date of this Draft Red Herring Prospectus.

Commission or brokerage on previous issues

Since this is the initial public issue of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares since our incorporation.

Previous Issues of Shares Otherwise than for Cash

Our Company has not made any previous issues of Equity Shares for consideration otherwise than for cash.

Capital Issues in the Last Three Years

Our Company, Subsidiaries and Group Companies have not made any public or rights issues in the last three years.

Promise v/s Performance

Our Company, Subsidiaries and Group Companies have not made any previous rights and public issues.

Outstanding Debentures or Bond Issues or Redeemable Preference Shares

Our Company has no outstanding debentures or bonds or redeemable preference shares, as of the date of this Draft Red Herring Prospectus.

Partly Paid Up Shares

There are no partly paid up Equity Shares of our Company.

Stock Market Data of our Equity Shares

This being an initial public offer of the Equity Shares of our Company, the Equity Shares of our Company are not listed on any stock exchange and hence no stock market data is available.

Mechanism for Redressal of Investor Grievances

The Memorandum of Understanding 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 three years from the last date of dispatch of the letters of Allotment, or refund orders, demat credit or where refunds are being made electronically, giving of refund instructions 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, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA 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 will be seven Working 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. No investor complaints have been received during the immediately preceding three years prior to filing of this Draft Red Herring Prospectus with SEBI.

We have also appointed Mr. Dhiraj Kumar Maggo, Deputy Company Secretary 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:

Jindal Power Limited
28, Najafgarh Road
New Delhi 110 015
Tel.: + (91 11) 4502 1852
Fax: + (91 11) 2592 8118
E-mail: dhiraj.maggo@jindalpower.com
Website: www.jindalpower.com

Change in Auditors

There has been no change in the auditors of our Company in the last three years.

Capitalization of Reserves or Profits

Except as stated in "***Capital Structure***" on page 25, we have not capitalized our reserves or profits in the last five years.

Revaluation of Assets

There has been no revaluation of assets of our Company in the last five years.

SECTION VII - ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum of Association and Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the CAN 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 all applicable laws, regulations, guidelines, rules and notifications relating to the issue of capital and listing of securities issued from time to time by SEBI, Government of India, Stock Exchanges, Registrar of Companies, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of our Memorandum of Association and Articles of Association and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividends. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to **"*Main Provisions of the Articles of Association*"** on page 319.

Mode of Payment of Dividends

We shall pay dividends to our shareholders as per the provisions of the Companies Act.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each and the Issue Price is Rs. [●] per Equity Share. The Anchor Investor Issue Price is Rs. [●] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares. The Floor Price is Rs. [●] per Equity Share and the Cap Price is Rs. [●] per Equity Share.

Compliance with the SEBI

Our Company shall comply with applicable disclosure and accounting norms specified by the SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and other preferential claims being satisfied;
- Subject to applicable law including any RBI rules and regulations, right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreement executed with the Stock Exchanges, and our Memorandum of Association and Articles of Association.

All our Equity Shareholders have the same voting rights. For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividends, forfeiture and lien and/or consolidation/splitting, see "***Main Provisions of Our Articles of Association***" on page 319.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be Allotted only in dematerialized form. As per the existing SEBI Regulations, the trading of our Equity Shares shall only be in dematerialized form. Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint-tenants with benefits of survivorship.

Nomination Facility to 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 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.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the 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, the 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 the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with respective DP of the applicant would prevail. If the investors want to change their nomination, they are requested to inform their respective depository participant.

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 or FIIs registered with SEBI or FVCIs registered with SEBI. Such Eligible NRIs, FIIs registered with SEBI or FVCIs registered with SEBI will be treated on the same basis as other categories for the purpose of allocation.

Bid/Issue Program*

BID/ISSUE OPENS ON	**[●], 2010**
BID/ISSUE CLOSES ON	**[●], 2010**

** Anchor Investors, if any, shall submit their Bid on the Anchor Investor Bidding Date, which is one working day prior to the Bid/Issue Opening Date.*

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue including the Employee Reservation Portion and devolvement of Underwriters within 60 days from the Bid/Issue Closing Date, our Company shall within 70 days of Bid/Issue Closing Date 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 terms of Rule 19(2)(b) of the SCRR, if at least 60% of the Net Issue cannot be allocated to QIBs, then all the application money shall be refunded forthwith.

Further in terms of Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted will not be less than 1,000.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in New Delhi.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as "QIBs") in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) outside the United States in reliance on Regulation S under the Securities Act.

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.

Arrangement for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on Transfer of Shares

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution in the Issue as detailed in the section ***"Capital Structure"*** on page 25, There are no restrictions on transfers and transmission of shares/ debentures and on their consolidation/ splitting except as provided in our Articles. See "***Main Provisions of our Articles of Association***" on page 319.

Option to receive Equity Shares in Dematerialised Form

Investors should note that Allotment of Equity Shares to all successful Bidders will only be in dematerialised form. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

ISSUE STRUCTURE

The present Issue of [●] Equity Shares of Rs. 10 each, at a price of Rs. [●] for cash aggregating Rs. [●] million is being made through the 100% Book Building Process. The Issue comprises a Net Issue of [●] Equity Shares to the public and a reservation for the Eligible Employees of [●] Equity Shares.

	Eligible Employees	QIBs*	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares* *	[●] Equity Shares	At least [●] Equity Shares available for allocation or Net Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue size available for Allotment/allocation***	Up to [●]% of the Issue. The Employee Reservation Portion comprises of [•]% of the post-Issue capital of the Company.	At least 60% of the Net Issue shall be allocated to QIBs. However, not less than 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only.	Not less than 10% of the Net Issue available for allocation or the Net Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 30% of the Net Issue available for allocation or the Net Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate. However, the value of allotment to an Eligible Employee shall not exceed one lakh rupees.	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
Minimum Bid	[●] Equity Shares, adjusted based on Issue Price net of Employee Discount as applicable	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares.	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares.	[●] Equity Shares.
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares and subject to the maximum bid by each Eligible Employee not exceeding the Employee Reservation	Such number of Equity Shares not exceeding the Net Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Net Issue subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.

	Eligible Employees	QIBs*	Non-Institutional Bidders	Retail Individual Bidders
	Portion.[##]			
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Bid Lot	[●] Equity Shares 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	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Allotment Lot	[●] Equity Shares 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	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply ****	Eligible Employees	Public financial institutions as specified in Section 4A of the Companies Act, FIIs and their sub-accounts registered with SEBI, other than sub-accounts who are foreign corporates or foreign individuals, scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, FVCIs registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II	Eligible NRIs, Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts and sub-accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals	Individuals (including HUFs, Eligible NRIs) applying for Equity Shares such that the Bid Amount does not exceed Rs. 100,000 in value.

	Eligible Employees	QIBs*	Non-Institutional Bidders	Retail Individual Bidders
		dated November 23, 2005 of the GoI published in the Gazette of India and insurance funds set up and managed by army, navy or air force of the Union of India.		
Terms of Payment	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member.	QIB Margin Amount shall be payable at the time of submission of Bid cum Application Form to the BRLMs and the CBRLM.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member[#]
Margin Amount	Full Bid Amount on bidding	At least 10% of Bid Amount[*****]	Full Bid Amount on bidding	Full Bid Amount on bidding

* *Our Company may allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price in accordance with the SEBI Regulations. At least one-third of the Anchor Investor Portion shall be available for allocation to domestic Mutual Funds subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Price. Allocation to Anchor Investors shall be on a discretionary basis subject to minimum number of (i) two Anchor Investors, where allocation in the Anchor Investor Portion is up to Rs. 2,500 million and (ii) five, where the allocation under the Anchor Investor Portion is more than Rs. 2,500 million. An Anchor Investor shall make a minimum Bid of such number of Equity Shares that the Bid Amount is atleast Rs. 100 million.*

** *In terms of Rule 19 (2) (b) of the SCRR, this is an Issue for less than 25% of the post–Issue capital, therefore, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be Allotted to QIBs on a proportionate basis. Provided that, our Company may, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation to Mutual Funds on a proportionate basis. 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. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion (excluding the Anchor Investor Portion) and allocated proportionately to the QIB Bidders. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% and 30% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders, respectively subject to valid Bids being received at or above the Issue Price.*

*** *Any unsubscribed portion in any reserved category shall be added to the Net Issue to the public. In case of under-subscription in the Net Issue to the public category, spill-over to the extent of under-subscription shall be permitted from the reserved category to the Net Issue to the public. If at least 60% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded. In the event that the aggregate demand in the QIB Portion has been met, under subscription in any other category, if any, would be allowed to be met with spill-over from other categories or combination of categories at the discretion of our Company in consultation with the BRLMs, the CBRLM and the Designated Stock Exchange.*

*****In case the Bid cum Application Form is submitted in joint names, the Bidders 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.*

******After the Bid/Issue Closing Date, depending on the level of subscription, additional Margin Amount, if any, may be called for from the QIB Bidders.*

[#] *In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the ASBA Bidder that are specified in the ASBA Bid cum Application Form.*

[##] *Employee Discount will be applicable to all Eligible Employees with a maximum bid in the Employee Reservation Portion being Rs. 100,000.*

Withdrawal of the Issue

Our Company in consultation with the BRLMs and the CBRLM, reserves the right not to proceed with the Issue at anytime after the Bid/Issue Opening Date but before the Allotment. If our Company withdraws the Issue, it shall issue a public notice that shall include reasons for such withdrawal, within two days of the Bid/Issue Closing Date. The notice of withdrawal shall be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchanges shall also be informed promptly.

If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of Equity Shares, it shall file a fresh draft red herring prospectus with SEBI.

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 only after Allotment and within seven Working Days of finalization of Basis of Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the Stock Exchanges.

Letters of Allotment or Refund Orders

Our Company shall facilitate and shall give credit to the beneficiary account with depository participants within two Working Days of finalization of the basis of Allotment of Equity Shares. Our Company shall dispatch refund orders, if any, of value up to Rs. 1,500, by "Under Certificate of Posting", and will dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk within 15 days of the Bid/Issue Closing Date.

Interest in case of delay in dispatch of Allotment Letters/Refund Orders

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company further undertakes that:

- Allotment of Equity Shares will be made only in dematerialized form within 15 days from the Bid/Issue Closing Date;
- Dispatch of refund orders will be done within 15 days from the Bid/Issue Closing Date or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions will be given to the clearing system; and
- Our Company shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment is not made, 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 day time 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 through any of the modes as described in the Red Herring Prospectus and bank charges, if any, for encashing cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Bid/Issue Program*

BID/ISSUE OPENS ON	**[●], 2010**
BID/ISSUE CLOSES ON	**[●], 2010**

*** Anchor Investors, if any, shall submit their Bid on the Anchor Investor Bidding Date, which is one working day prior to the Bid/Issue Opening Date.***

Bids by Anchor Investors may be submitted to the Syndicate. The number of Equity Shares allocated to each Anchor Investor and Anchor Investor Issue Price shall be made available in the public domain by the BRLMs and the CBRLM, before the Bid/Issue Opening Date.

Bids and any revision in Bids will 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 in the Bid cum Application Form **except that on the Bid/Issue Closing Date, Bids excluding ASBA Bids shall be accepted only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders; and (ii) 5.00 p.m. which may be extended up to such time as permitted by the Stock Exchanges 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 1.00 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 IPOs, 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 in the Issue. If such Bids are not uploaded, the Company, the BRLMs, the CBRLM and the Syndicate Member shall not be responsible. Bids will be accepted only on Working Days, i.e. Monday to Friday (excluding any public holiday).

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

Our Company reserves the right to revise the Price Band during the Bidding Period in accordance with SEBI Regulations. The Cap Price shall 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 originally disclosed in the RHP and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bidding 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 Stock Exchanges, by issuing a press release, and also by indicating the change on the web site of the BRLMs and the CBRLM, and at the terminals of the members of the Syndicate.

ISSUE PROCEDURE

Book Building Procedure

In terms of Rule 19(2)(b) of the SCRR read with Regulation 41(1)(a) of the SEBI Regulations, this is an Issue for less than 25% of the post–Issue capital, therefore, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be allocated to QIBs on a proportionate basis. Provided that, our Company may, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% and 30% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders, respectively, subject to valid Bids being received at or above the Issue Price. In addition, up to [●]% of the Issue shall be made available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, except the QIB Portion, 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, the CBRLM and the Designated Stock Exchange.

Bidders are required to submit their Bids through the Syndicate. In case of QIB Bidders, our Company in consultation with the BRLMs and the CBRLM may reject Bids at the time of acceptance of Bid cum Application Form provided that the reasons for rejecting the same shall be provided to such Bidder in writing. Provided that, our Company in consultation with the BRLMs and the CBRLM, reserves the right to reject any Bid procured from Anchor Investors without assigning any reason thereof. In case of Non-Institutional Bidders, Retail Individual Bidders and Bids under the Employee Reservation Portion, our Company would have a right to reject the Bids only on technical grounds. Allocation to Anchor Investors will be discretionary and not on a proportionate basis.

Investors should note that Allotment of Equity Shares to all successful Bidders will only be in the dematerialized form. Bidders will not have the option of getting Allotment of the 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 in terms of the Red Herring Prospectus. Before being issued to Bidders, the Bid cum Application Form shall be serially numbered and date and time stamped at the Bidding centres and such form shall be issued in duplicate signed by the Bidder and countersigned by the relevant member of the Syndicate. The Bid cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidder wishes to Bid. 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 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
Resident Indians, NRIs applying on a non repatriation basis, excluding Anchor Investors	White
Eligible NRIs, FVCIs, FIIs on a repatriation basis, excluding Anchor Investors	Blue
Anchor Investors	White
ASBA Bidders	Green

Category	Colour of Bid cum Application Form
Bidders in the Employee Reservation Portion	Pink

ASBA Bidders shall submit an ASBA Bid cum Application Form either in physical or electronic form to the SCSB authorizing blocking funds that are available in the bank account specified in the ASBA Bid cum Application Form used by ASBA Bidders. The ASBA Bidders can only provide one Bid in the ASBA Bid cum Application Form at Cut-off Price. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application Form for ASBA Bidders to the SCSB, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

Who can Bid?

- 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);
- Hindu Undivided Families or 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;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in the equity shares;
- Eligible NRIs on a repatriation basis or a non-repatriation basis subject to applicable laws. NRI's other than Eligible NRI's are not eligible to participate in this Issue;
- Mutual Funds registered with SEBI;
- Indian Financial Institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and regulations, as applicable);
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- Multilateral and bilateral development financial institutions;
- State Industrial Development Corporations;
- 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;
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals, only under the Non Institutional Bidders Category.
- Scientific and/or Industrial Research Organisations authorised to invest in equity shares;
- Insurance companies registered with Insurance Regulatory and Development Authority, India;
- Provident Funds with minimum corpus of Rs. 250 million and who are authorized under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 250 million and who are authorised under their

constitution to hold and invest in equity shares;

- National investment fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- Insurance funds set up and managed by army, navy or air force of the Union of India
- Eligible Employees of the Company; and
- All other persons eligible to invest under all applicable laws, rules, regulations and guidelines.

Note: As per existing regulations, OCBs cannot participate in the Issue.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as "QIBs") in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) outside the United States in reliance on Regulation S under the Securities Act.

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.

Participation by associates of the BRLMs, the CBRLM and the Syndicate Members

The BRLMs, the CBRLM and the Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs, the CBRLM and the Syndicate Members are entitled to subscribe for Equity Shares in the Issue, either in the QIB Portion (excluding the Anchor Investor Portion) or in the Non-Institutional Portion, as may be applicable to such investors. Such bidding and subscription may be on their own account or their clients.

The BRLMs, the CBRLM, Syndicate Members, their associates and affiliates shall not be allowed to subscribe to the Anchor Investor Portion in any manner except towards fulfilling their underwriting obligations.

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

Procedure for application by Mutual Funds

An eligible Bid by a Mutual Fund in the Mutual Fund Portion shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand in the Mutual Fund Portion is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

One third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors.

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 the 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 share capital carrying voting rights.

The Bids made by asset management companies or custodians of Mutual Funds shall clearly indicate the name of the concerned scheme for which application is being made.

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 by Eligible NRIs

Eligible NRIs are required to comply with the following:

1. Bid cum application forms (blue in colour) have been made available for NRIs at our Registered Office as well as by the members of the Syndicate and the Registrar to the Issue.

2. Eligible NRI may please note that only such applications as are accompanied by payment in free foreign exchange or by debit to their NRE or FCNR accounts shall be considered for Allotment. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the application form meant for Resident Indians (white in colour).

3. In accordance with the SEBI Regulations, NRIs cannot subscribe to this Issue under the ASBA process.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The offer of Equity Shares to a single FII should not exceed 10% of our post-Issue issued capital (i.e. 10% of [●] 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 issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. As of now, in accordance with the foreign investment limits applicable to us, the total foreign investment including FII investment cannot exceed 24% of our total issued capital unless approved by the shareholders of the Company.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations 1995, as amended, by the SEBI (Foreign Institutional Investors)(Amendment) Regulations, 2008 ("**SEBI FII Regulations**"), an FII, as defined in the SEBI FII Regulations, or its sub account may issue, deal or hold, off shore derivative instruments (defined under the SEBI FII Regulations, as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or sub-account is also required to ensure that no further issue or transfer of any offshore derivative instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the BRLMs, the CBRLM and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors, respectively, registered with SEBI. Accordingly, the holding in any company by any individual venture capital

fund or foreign venture capital investor registered with SEBI should not exceed 25% of the corpus of the venture capital fund/foreign venture capital investor. However, venture capital funds and foreign venture capital investors may invest not more than 33.33% of their respective investible funds in various prescribed instruments, including in initial public offers.

The above information is given for the benefit of the Bidders. Our Company, the BRLMs and the CBRLM are not liable for any amendments or modification 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 investment limits under laws or regulations or maximum number of Equity Shares that can be held by them under applicable laws.

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 Share thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of cut-off option, the Bid would be considered for allocation under the Non-Institutional Portion. The option to Bid at Cut-off Price is an option given to the Retail Individual Bidders indicating their agreement to Bid and purchase at the Issue Price as determined at the end of the Book Building Process.

(b) **For Other Bidders (Non-Institutional Bidders and QIBs bidding in the QIB Portion):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount 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 Regulations, a QIB Bidder bidding in the QIB Portion cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the QIB Margin Amount upon submission of Bid.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount 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 Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

(c) **For Bidders in the Anchor Investor Portion:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount is atleast Rs. 100 million and in multiples of [●] Equity Shares thereafter. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. Bid cannot be submitted for more than 30% of the QIB Portion.

(d) **For Bidders in the Employee Reservation Portion:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Share thereafter. Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the Bidding options may bid at Cut-off Price. However, Employee Discount will be applicable to all Eligible Employees with a maximum bid in the Employee Reservation Portion being Rs. 100,000. The Allotment in the Employee Reservation Portion will be on a proportionate basis not exceeding Rs. 100,000 for each Eligible Employees.

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.

Information for the Bidders:

(a) The Red Herring Prospectus will be filed by the Company with the RoC at least three days before the Bid/Issue Opening Date.

(b) The members of the Syndicate will circulate copies of the Bid cum Application Form to potential investors, and at the request of potential investors, copies of the Red Herring Prospectus.

(c) Our Company, the BRLMs and the CBRLM shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date at the time of filing of the Red Herring Prospectus with the RoC and the same shall also be published in two newspapers (one in English and one in Hindi, which is also the regional newspaper).

(d) The Members of the Syndicate shall accept Bids from the Bidder during the Bidding Period in accordance with the terms of the Syndicate Agreement. Provided that the BRLMs and the CBRLM shall accept the Bids from the Anchor Investors only on the Anchor Investor Bidding Date.

(e) 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.

(f) Eligible investors who are interested in subscribing to the Equity Shares should approach any of the BRLMs, the CBRLM or the Syndicate Members or their authorised agent(s) to register their Bids.

(g) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.

Method and Process of Bidding

(a) Our Company, the BRLMs and the CBRLM shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date at the time of filing the Red Herring Prospectus with RoC and also publish the same in two widely circulated national newspapers (one each in English and Hindi newspaper). This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Schedule XIII of the SEBI Regulations.

(b) The Price Band and the minimum Bid lot size for the Issue will be decided by our Company, in consultation with the BRLMs and the CBRLM, and advertised in two national newspapers (one each in English and Hindi), at least two Working Days prior to the Bid/Issue Opening Date. The BRLMs, the CBRLM and the Syndicate Members shall accept Bids from Bidders during the Bidding Period in accordance with the terms of the Syndicate Agreement.

(c) The BRLMs and the CBRLM shall accept Bids from the Anchor Investors on the Anchor Investor Bid/Issue Date, i.e. one working day prior to the Bid/Issue Opening Date. Investors, except Anchor Investors who are interested in subscribing to the Equity Shares should approach any of the members of the Syndicate or their authorised agents to register their Bids, during the Bidding Period. The Members of the Syndicate shall accept Bids from all the other Bidders and shall have the right to vet the Bids, during the Bidding Period in accordance with the terms of the Syndicate Agreement and Red Herring Prospectus.

(d) The Bidding Period shall be for a minimum of three Working Days and not exceeding 10 Working Days (including the days for which the Bid/Issue is open in case of revision in Price Band). In case the Price Band is revised, the revised Price Band and the Bidding Period will be published in an English national newspaper and a Hindi national newspaper, both with wide circulation.

(e) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details see "***Bids at Different Price Levels***" below, 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 allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

(f) 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 in the "***Build up of the Book and Revision of Bids***" on page 285. Provided that Bids submitted by a Anchor Investors in the Anchor Investor Portion and in the QIB Portion will not be considered as Multiple Bids.

(g) Except in relation to the Bids received from the Anchor Investors, 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.

(h) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled "***Terms of Payment and Payment into the Escrow Account(s)***" on page 283.

(i) The identity of QIB Bidders shall not be made public.

Bids at Different Price Levels

(a) The Price Band and the minimum bid lot will be decided by the Company in consultation with the BRLMs and the CBRLM and will be published in [•] edition of [•] and [•] edition of [•] at least two (2) working days prior to the Bid/Issue Opening Date. The Bidders can Bid at any price with in the Price Band, in multiples of Rs. [●].

(b) Our Company in consultation with the BRLMs and the CBRLM reserves the right to revise the Price Band, during the Bidding Period, in accordance with the SEBI Regulations provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on either side i.e. floor price can move up and down to the extent of 20% of the floor price disclosed in the Red Herring Prospectus.

(c) In case of revision in the Price Band, the Issue Period will be extended after revision of Price Band, 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 Stock Exchanges, by issuing a public notice in two widely circulated newspapers, one each in English and Hindi, and also by indicating the change on the websites of the BRLMs, the CBRLM and at the terminals of the Syndicate Members.

(d) Our Company in consultation with the BRLMs and the CBRLM can finalize the Issue Price and Anchor Investor Issue Price within the Price Band in accordance with this clause, without the prior approval of or intimation to the Bidders.

(e) 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, may Bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB or Non-Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected. Employee Discount will be applicable to all Eligible Employees with a maximum bid in the Employee Reservation Portion being Rs. 100,000.

(f) Retail Individual Bidders and Eligible Employees bidding under 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 Eligible Employees bidding under the Employee Reservation Portion bidding at Cut-off Price shall deposit the Bid Amount based on the Cap Price in the Escrow Account(s). In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion who Bid at Cut-off Price (i.e., the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), such Bidders shall receive the refund of the excess amounts from the Escrow Account(s).

(g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion who had Bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the revised Cap Price (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 100,000 for Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion bidding at the Cut-off Price, if the Bidder wants to continue to Bid at Cut-off Price), with the Syndicate Members to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 100,000 for Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion bidding at the Cut-off Price the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Draft 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 Cap Price prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that the no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion who have Bid at 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(s).

(i) 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 Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

(j) When a Bidder has revised 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 Bidder's responsibility to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

Terms of Payment and Payment into the Escrow Account(s)

Each Bidder, other than Anchor Investors, shall provide the applicable Margin Amount, with the submission of the Bid cum Application Form by drawing a cheque or demand draft for the maximum amount of the Bid in favour of the Escrow Account(s) of the Escrow Collection Bank(s) (for details see the "***Issue Procedure-Payment Instructions***" on page 294, and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash/ money order shall not be accepted. The Bidder may also provide the applicable Margin Amount by way of an electronic transfer of funds through the RTGS mechanism. Each QIB shall provide its Margin Amount only to the members of the Syndicate. The Margin Amount based on the Bid Amount has to be paid at the time of the submission of the Bid cum Application Form. The Margin Amount shall be entered and printed on the TRS which shall be furnished upon request.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold such monies for the benefit of the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account(s), as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be held for the benefit of the Bidders who are entitled to refunds. No later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank(s) shall dispatch all refund amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for Allotment to the Bidders.

Each category of Bidders i.e., QIB Bidders (including Anchor Investors), Non-Institutional Bidders, Retail Individual Bidders, Bids by Eligible Employees would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned under the "***Issue Structure***" on page 271. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares transferred 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. If the payment is not made favouring the Escrow Account(s) within the time stipulated above, the Bid of the Bidder is liable to be rejected. 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.

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 allocation/ transfer, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date, failing which our Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

Electronic Registration of Bids

(a) The members of the Syndicate will register the Bids received, using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity in each city, where the Stock Exchanges are located in India and where such Bids are being accepted.

(b) The Stock Exchanges will offer a screen-based facility for registering such 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 Syndicate Members can also set up facilities for off-line electronic registration of Bids subject to the condition that it will subsequently upload the off-line data file into the on-line facilities for book building on a half hourly basis.

(c) 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 with the BRLMs and the CBRLM on a regular basis. Bidders are cautioned that a high inflow of bids typically experienced on the last day of the Bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such bids that could not uploaded will not be considered for allocation. Bids will only be accepted on Working Days, i.e., Monday to Friday (excluding any public holiday).

(d) The aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be uploaded on a regular basis, consolidated and displayed on-line at all bidding centres and the website of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available at the bidding centers and at the websites of each of the Stock Exchanges during the Bidding Period.

(e) 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:

- 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 Depositary 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.
- Investor Category – Individual, Corporate, Eligible NRI, FII, or Mutual Fund, QIBs, etc.
- Numbers of Equity Shares Bid for.
- Bid Amount.
- Bid cum Application Form number.
- Whether Margin Amount has been paid upon submission of Bid cum Application Form.
- Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder.

(f) 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/ Allotted**.**

(g) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(h) In the case of QIB Bidders, members of the Syndicate also have the right to accept the Bid or reject it. However, such 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, Retail Individual Bidders and Eligible Employees, Bids would not be rejected except on the technical grounds listed in the "***Issue Procedure-Grounds for Technical Rejections***" on page 297.

(i) The permission given by the Stock Exchanges 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 and the CBRLM are cleared or approved by the Stock Exchanges; 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 Promoters, our management or any scheme or project of our Company.

(j) It is also to be distinctly understood that the approval given by the Stock Exchanges should not in any way be deemed or construed that this Draft Red Herring Prospectus has been cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and the NSE.

(k) Only Bids that are uploaded on the online IPO system of the NSE and the BSE shall be considered for allocation/ Allotment. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the BRLMs and the CBRLM based on the physical records of Bid Application Forms shall be final and binding on all concerned.

Build Up 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 Stock Exchanges mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLMs and the CBRLM 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 Amount 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. The members of the Syndicate will not accept incomplete or inaccurate Revision Forms.

(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. 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.

(f) 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 this Draft Red Herring Prospectus. In case of QIB Bidders in the QIB Portion, the members of the Syndicate shall collect the payment in the form of cheque or demand draft or the electronic transfer of funds through RTGS 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.

(g) 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.**

(h) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the BRLMs and the CBRLM based on the physical records of Bid Application Forms shall be final and binding on all concerned.

Price Discovery and Allocation

(a) After the Bid Closing Date, the BRLMs and the CBRLM will analyze the demand generated at various price levels and discuss pricing strategy with the Company.

(b) Our Company in consultation with the BRLMs and the CBRLM shall finalize the Anchor Investor Issue Price, Issue Price and the Employee Discount.

(c) Allocation to Anchor Investors shall be at the discretion of the Company in consultation with the BRLMs and the CBRLM, subject to compliance with the SEBI Regulations. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the remaining QIB Portion.

(d) Any unsubscribed portion in any reserved category shall be added to the Net Issue to the public. In case of under-subscription in the Net Issue to the public category, spill-over to the extent of under-subscription shall be permitted from the reserved category to the Net Issue to the public. However, if the aggregate demand by Mutual Funds in the Mutual Fund Portion 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. If at least 60% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded. In the event that the aggregate demand in the QIB Portion has been met, under subscription in any other category, if any, would be allowed to be met with spill-over from other categories or combination of categories at the discretion of our Company in consultation with the BRLMs, the CBRLM and the Designated Stock Exchange.

(e) Allocation to Eligible NRIs, FIIs and foreign venture capital funds registered with SEBI applying on repatriation basis will be subject to applicable law and the terms and conditions stipulated by the FIPB and RBI, while granting permission for Allotment of Equity Shares to them in this Issue.

(f) The BRLMs and the CBRLM, in consultation with the Company shall notify the members of the Syndicate of the Issue Price and Anchor Investor Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(g) If the Issue Price is higher than the Anchor Investor Issue Price, the additional amount shall be paid by the Anchor Investors. However, if the Issue Price is lower than the Anchor Investor Issue Price, the difference shall not be payable to the Anchor Investors.

(h) In terms of the SEBI Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date or after the Anchor Investor Bidding Date, as applicable.

(i) Our Company in consultation with the BRLMs and the CBRLM, reserves the right to reject any Bid procured from QIB Bidders, by any or all members of the Syndicate. Rejection of Bids by QIBs bidding in the QIB Portion, 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. Provided that, our Company, in consultation with BRLMs and the CBRLM, reserves the right to reject any Bid received from Anchor Investors without assigning any reason therefore.

(j) The Allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

(a) Our Company, the BRLMs, the CBRLM and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s) /Allotment to the Bidders.

(b) After signing the Underwriting Agreement, the updated Red Herring Prospectus will be filed by the Company with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Anchor Investor Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

(c) We will file a copy of the Red Herring Prospectus and the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

Announcement of pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall after filing of the Red Herring Prospectus, publish an advertisement, in the from prescribed by the SEBI Regulations in two widely circulated newspapers (in English and Hindi, which is also the regional newspaper).

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement in a widely circulated English national newspaper and Hindi national newspaper (which is also the regional newspaper) after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. 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, the CBRLM or Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated/ Allotted 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 Allotment for the Retail Individuals and Non-Institutional Bidders. However, investors should note that our Company shall ensure that the Equity Shares are Allotted to all investors in this Issue on the same date. For Anchor Investors, see "***Notice to Anchor Investors: Allotment/Reconciliation and Revised CANs"***

(b) The BRLMs, the CBRLM or the Syndicate Members would dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price or Anchor Investor Issue Price, as may be applicable, for all the Equity Shares allocated to such Bidder. QIB Bidders (including Anchor Investors) who have not paid the entire Bid Amount into the Escrow Account(s) at the time of bidding shall pay in full the amount payable into the Escrow Account(s) by the Pay-in Date specified in the CAN.

(c) Bidders who have been allocated Equity Shares and who have already paid the Bid Amount into the Escrow Account(s) at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account(s). The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for the Allotment to such Bidder.

(d) The Issuance of CAN is subject to "***Notice to Anchor Investors: Allotment Reconciliation and Revised CANs***" and "***Notice to QIBs: Allotment Reconciliation and Revised CANs***" as set forth below

Notice to Anchor Investors: Allotment Reconciliation and revised CANs

After the Anchor Investor Bidding Date, a physical book will be prepared by the Registrar on the basis of Bid cum Application Forms received in the Anchor Investor Portion. Based on the physical book and at the discretion of the Company, BRLMs and the CBRLM, select Anchor Investors may be sent a CAN, within two Working Days of the Anchor Investor Bidding Date, indicating the number of Equity Shares that may be allocated to them. The provisional CAN shall constitute the valid, binding and irrevocable contract (subject only

to the issue of a revised CAN) for the Anchor Investor to pay the entire Issue Price for all the Equity Shares allocated to such Anchor Investor. This provisional CAN and the final allocation is subject to (a) physical application being valid in all respects along with stipulated documents being received by the Registrar to the Issue, (b) the Issue Price being finalized at a price not higher than the higher than the Anchor Investor Issue Price, and (c) allotment by the Board of Directors. Subject to the SEBI Regulations, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, among other things, and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. In such instances or in the event the Issue Price is fixed higher that the Anchor Investor Issue Price, a revised CAN may be sent to Anchor Investors, price of the Equity Shares in such revised CAN may be different from that specified in the earlier CAN. Anchor Investors 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 or price of Equity Shares, which shall in no event be later than two days after the Bid/Issue Closing Date. Any revised CAN, if issued, will supersede in entirety the earlier CAN. Anchor Investors cannot withdraw Bids after Bid/Issue Closing Date.

Notice to QIBs: Allotment/Transfer Reconciliation and Revised CAN

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 systems. This shall be followed by a physical book prepared by the Registrar on the basis of the Bid cum Application Form received. Based on the electronic book or the Physical book as the case may be, QIBs may be sent a CAN, within two Working Days of the Bid/Issue Closing Date, indicating the number of Equity Shares that may be allocated to them. This provisional CAN and the final allocation and is subject to (a) the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar, (b) physical application being valid in all respects along with stipulated documents being received by the Registrar to the Issue, and (c) allotment by the Board of Directors. Subject to the SEBI Regulations, 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. 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 shall 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. Any 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(s) to the Public Issue Account on the Designated Date, our Company will ensure the credit to the successful Bidders depository account within two Working Days of the date of Allotment.

(b) In accordance with the SEBI Regulations, Equity Shares will be issued, transferred and Allotment shall be made only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, 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/ Allotted to them pursuant to this Issue.

General Instructions

Do's:

(a) Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable laws, rules and regulations;

(b) Ensure that you have Bid within the Price Band;

(c) Read all the instructions carefully and complete the Resident Bid cum Application Form (white in colour) or non-resident Bid cum Application Form (blue in colour), or the Anchor Investor Bid cum

Application Form (white in colour) or Eligible Employees bidding under the Employee Reservation Portion (pink in colour) as the case may be;

(d) Ensure that the details about Depository Participant and Beneficiary Account are correct (and activated) as Allotment of Equity Shares will be in the dematerialized form only;

(e) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;

(f) Ensure that you have been given a TRS for all your Bid options;

(g) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

(h) Except for Bids (i) on behalf of the Central or State Government and the officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Bidders should mention their Permanent Account Number (PAN) allotted under the I.T. Act. Applications in which the PAN is not mentioned will be rejected;

(i) Ensure that the Demographic Details (as defined below) are updated, true and correct in all respects;

(j) 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.

Don'ts:

(a) Do not Bid for lower than the minimum Bid size;

(b) Do not Bid/revise Bid Amount to less than the 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 Amount 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 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 exceeds the Issue Size and/ or 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;

(h) Do not submit the Bid without the applicable Margin Amount;

(i) Do not Bid for amount exceeding Rs. 100,000 in case of a Bid by Retail Individual Bidders.

(j) **Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.**

Instructions for Completing the Bid cum Application Form

Bidders can obtain Bid cum Application Forms and/or Revision Forms from the members of the Syndicate or the Registered Office of the Company or the Registrar to the Issue.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable ([●] for Resident Indians and Eligible NRIs applying on a non-repatriation basis, [●] for Eligible NRIs and FIIs applying on a repatriation basis, [●] for ASBS Bidders, [●] for Anchor Investors and [●] for Eligible Employees.

(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 Forms or Revision Forms are liable to be rejected.

(c) For Retail Individual Bidders (including Eligible NRIs) the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter, subject to a maximum Bid Amount of Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. The Cut-off option is an option given only to the Retail Individual Bidders and Eligible Employees indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

(d) For Non-Institutional Bidders and QIB Bidders (including Eligible NRIs), Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to Rs. 100,000 and in multiples of [●] Equity Shares thereafter. Anchor Investors must ensure that Bids must make a minimum Bid of such number of Equity Shares that the Bid Amount is at least Rs. 100 million. 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. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid Date and QIBs (excluding the Anchor Investors) cannot withdraw their Bid after the Bid/Issue Closing Date.

(e) Bids by NRIs, FIIs and foreign venture capital funds registered with SEBI 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 NRIs) or their nominees.

(f) In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount 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 Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at Cut off Price.

(g) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(h) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bids by Anchor Investors

The Company may consider participation by Anchor Investors in the QIB Portion for up to [●] Equity Shares in accordance with the applicable SEBI Regulations. Only QIBs as defined in Regulation 2(zd) of the SEBI Regulations and not otherwise excluded pursuant to item 10(k) of Part A of Schedule XI of the SEBI Regulations are eligible to invest. The QIB Portion shall be reduced in proportion to the allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are as follows:

(a) Anchor Investors Bid cum Application Form have been made available for Anchor Investor Portion at our Registered Office, members of the Syndicate.

(b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds Rs. 100 million and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than 30% of the QIB Portion.

(c) One-third of the Anchor Investor Portion shall be reserved for allocation to domestic mutual funds.

(d) The Bidding for Anchor Investors shall open one working day before the Bid/Issue Opening Date and shall be completed on the same day.

(e) The Company, in consultation with the BRLMs and the CBRLM, shall finalize Allocation to the Anchor Investors on a discretionary basis, subject to compliance with requirements regarding minimum number of Allottees.

(f) The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the BRLMs and the CBRLM before the Bid/Issue Opening Date.

(g) Anchor Investors shall pay Anchor Investor Margin Amount representing 25% on the Bid Amount at the time of submission of the Bid. Any difference between the amount payable by the Anchor Investor for Equity Shares allocated and the Anchor Investor Margin Amount paid at the time of Bidding, shall be payable by the Anchor Investor within two days of the Bid/Issue Closing Date.

(h) In case the Issue Price is greater than the Anchor Investor Issue Price, the additional amount being the difference between the Issue Price and the Anchor Investor Issue Price shall be paid by the Anchor Investors by the Pay-in-Date. In the event the Issue Price is lower than the Anchor Investor Issue Price, the Allotment to Anchor Investors shall be at the higher price i.e. the Anchor Investor Issue Price.

(i) The Equity Shares allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment in the Issue.

(j) None of BRLMs nor the CBRLM nor any person related to the BRLMs or the CBRLM, Promoters, Promoter Group shall participate in the Anchor Investor Portion.

(k) Bids made by Anchor Investors under both the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

(l) The payment instruments for payment into the Escrow Account should be drawn in favour of:

- In case of resident Anchor Investors: "**Escrow Account - JPL Public Issue - Anchor Investor**"

- In case of non-resident Anchor Investors: "**Escrow Account - JPL Public Issue - Anchor Investor - NR**"

The minimum number of Allottees in the Anchor Investor Portion shall not be less than:

(a) two, where the allocation under Anchor Investor Portion is up to Rs. 2,500 million; and
(b) five, where the allocation under Anchor Investor Portion is more than Rs. 2,500 million.

Additional details, if any, regarding participation in the Issue under the Anchor Investor Portion shall be disclosed in the advertisement for the Price Band which shall be taken out by the Company in a national English and Hindi newspaper at least two Working Days prior to the Bid/Issue Opening Date.

The Red Herring Prospectus, in so far as it relates to terms of the Issue should be read in conjunction with the aforestated paragraphs, to the extent applicable.

Bidder's Bank 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 to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would 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 dispatch/ credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs nor the CBRLM nor the Registrar to the Issue nor the Escrow Collection Banks nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

Bidders Depository Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO RECEIVE THEIR 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 refund orders /CANs /Allocation Advice and printing of Bank particulars on the refund order or making refunds electronically and 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. Hence the Bidders are advised to update their Demographic Details as provided to the DP and ensure they are true and correct.

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 (where refunds are not being made electronically)/Allocation Advice/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that 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, Escrow Collection Bank(s) nor the BRLMs nor the CBRLM 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 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, which 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's identity, then such Bids are liable to be rejected.

Our Company in its absolute discretion, reserve 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, 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.

Bids by Non Residents, Eligible NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a repatriation basis

Bids and revision to Bids must be made:

1. On the Bid cum Application Form or the Revision Form, as applicable (white for Resident Indians, NRIs applying on a non-repatriation basis; blue for Eligible NRIs, FVCIs and FIIs on a repatriation basis; white for Anchor Investors; green for ASBA Bidders and pink for Bidders in the Employee Reservation Portion), 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).

3. Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount 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 [●] thereafter that the Bid Amount exceeds Rs. 100,000.

For further details, please refer to the "***Issue Procedure - Maximum and Minimum Bid Size***" on page 280.

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 NRIs) or their nominees.

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.

Our Company has received all relevant approvals for the Issue of Equity Shares to Eligible NRI, FIIs, and foreign venture capital funds registered with SEBI. As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Eligible NRIs, FIIs and Foreign Venture Capital Funds and all Eligible NRIs, FIIs and foreign venture capital funds 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 of Association 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 Bid in whole or in part, in either case, without assigning any reason 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 reason therefor.

In case of 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 accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority 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 million (subject to applicable law) and pension funds with minimum corpus of Rs. 250 million, 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, the BRLMs and the CBRLM may deem fit.

Payment Instructions

Escrow Mechanism

Our Company and the members of the Syndicate shall open Escrow Account(s) with the Escrow Collection Bank(s) for the collection of the Bid Amount payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation/Allotment in the Issue.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Bank(s), for and on behalf of the Bidders, shall maintain the monies in the Escrow Account. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account and Refund Account as per the terms of the Escrow Agreement, the Red Herring Prospectus and Prospectus. The balance amount after transfer to the Public Issue Account shall be held for the benefit of the Bidders who are entitled to refunds. Payments of refund to the Bidders shall also be made from the Refund Account are per the terms of the Escrow Agreement and the Red Herring Prospectus and 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.

Payment into Escrow Account(s)

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

1. The Bidders for whom the applicable Margin Amount is equal to 100%, shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account(s) and submit the same to the members of the Syndicate.

2. In case of QIBs (including Anchor Investors) bidding in the QIB Portion, where the margin is less than 100% of the Bid Amount, the balance amount shall be paid by the Bidders into the Escrow Account(s) within the period specified in the CAN. If the payment is not made in favour of the Escrow Account within the stipulated time, the Bid is liable to be rejected. For Anchor Investors, see also "***Payment Instructions for Anchor Investors"*** below.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

    - In case of resident QIB Bidders: **"Escrow Account – JPL Public Issue – QIB – R"**
    - In case of non-resident QIB Bidders: **"Escrow Account – JPL Public Issue – QIB– NR"**
    - In case of Resident Bidders: **"Escrow Account – JPL Public Issue - R"**
    - In case of Non Resident Bidders: **"Escrow Account – JPL Public Issue – NR"**
    - In case of Resident Anchor Investors: **"Escrow Account – JPL Public Issue - Anchor Investor"**

- In case of Non-Resident Anchor Investors: **"Escrow Account – JPL Public Issue Anchor Investor - NR"**

- In case of Eligible Employees: **"Escrow Account – JPL Public Issue – Employee"**

4. In case of Bids by 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 Non-Resident External (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 Account or FCNR Account maintained with banks authorised to deal in foreign exchange in India.

5. 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 Special Rupee Account.

6. Where a Bidder has been allocated/ Allotted 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.

7. The monies deposited in the Escrow Account(s) will be held for the benefit of the Bidders till the Designated Date.

8. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account(s) as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

9. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/Allotment to the Bidders.

11. Payments should be made by cheque, 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 bankers' 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.

12. 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.

13. 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.

Payment Instructions for Anchor Investors

1. Anchor Investors shall provide the Anchor Investor Margin Amount, i.e. at least 25% of the Bid Amount along with the submission of the Bid cum Application Form by drawing a cheque or demand draft for the Bid Amount 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 cum Application Form is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted.

2. Company in consultation with the BRLMs and the CBRLM in their absolute discretion, shall decide the list of Anchor Investors to whom the provisional CAN or CAN shall be sent, pursuant to which the details of the Equity Shares allocated to them and the details of the amounts payable for allotment of

such Equity Shares in their respective names shall be notified to such QIBs.

3. Any difference between the amount payable by the Anchor Investor for Equity Shares allocated/ Allotted and the Anchor Investor Margin Amount paid at the time of Bidding, shall be payable by the Bidder within two days of the Bid/Issue Closing Date. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Anchor Investor is liable to be cancelled.

4. The payment instruments for payment into the Escrow Account should be drawn in favour of:

   - In case of Resident Anchor Investors: **"Escrow Account – JPL Public Issue - Anchor Investor"**

   - In case of Non-Resident Anchor Investor: **"Escrow Account – JPL Public Issue - Anchor Investor – NR"**

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. Hence, payment through stockinvest would 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.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. 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 Form for the records of the Bidder.

Other Instructions

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the 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 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. Anchor Investors can Bid under the Anchor Investor Portion and also in the QIB Portion and such Bids shall not be treated as multiple Bids.

Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. 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.

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 the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid-cum-Application Form and create an address master.

4. The addresses of all the applications in 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 address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. The applications with same name and same address will be treated as multiple applications.

5. The applications will be scrutinised for DP ID and Beneficiary Account Numbers. In case 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 the applications physically verified to tally signatures as also father's/ husband's names. On completion of this, the applications will be identified as multiple applications.

Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number or PAN

Except for Bids (i) on behalf of the Central or State Government and the officials appointed by the courts, and (ii) (subject to the SEBI circular dated April 3, 2008) from residents of the state of Sikkim, each Bidder should mention his/her Permanent Account Number ("**PAN**") allotted under the Income Tax Act, 1961 ("**IT Act**").

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")

Pursuant to circulars dated April 27, 2007 (No. MRD/DoP/Cir-05/2007) and June 25, 2007 (No. MRD/DoP/Cir-08/2007) issued by SEBI, the requirement of UIN under the SEBI (Central database of Market Participants) Regulations, 2005 has been discontinued and irrespective of the amount of transaction, PAN has been made the sole identification number for all participants in the securities market.

Right to Reject Bids

In case of QIB Bidders, our Company in consultation with the BRLMs and the CBRLM may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. Provided further that, our Company in consultation with the BRLMs and the CBRLM, reserve the right to reject any Bid received from Anchor Investors without assigning any reasons therefor. In case of Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made through any of the modes described in the 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 *inter alia* on 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. 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;

4. Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;

5. PAN not stated or GIR number stated instead (except for Bids on behalf of the Central or State Government and the officials appointed by the courts);

6. Bids for lower number of Equity Shares than specified for that category of investors;

7. Bids at a price less than the Floor Price;

8. Bids at a price more than the Cap Price;

9. Bids at Cut off Price by Non-Institutional Bidders and QIB Bidders;

10. Bids for number of Equity Shares which are not in multiples of [●];

11. Category not ticked;

12. Multiple Bids as described in the Red Herring Prospectus;

13. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;

14. Bids accompanied by stockinvest/money order/postal order/cash;

15. Signature of sole and/or joint Bidders missing;

16. Bid cum Application Forms does not have the stamp of the BRLMs, the CBRLM or the Syndicate Members;

17. Bid cum Application Forms does not have Bidder's depository account details or the details given are incomplete;

18. Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;

19. 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 Depositary Participant's identity (DP ID) and the beneficiary's account number;

20. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

21. Bids by QIBs not submitted through the Syndicate;

22. Bids by OCBs;

23. Bids by FVCIs and Bids by multilateral and bilateral development financial institutions;

24. Bids by persons in the United States;

25. Bids where clear funds are not available in the Escrow Accounts as per the final certificate from the Escrow Collection Banks;

26. Bids not uploaded in the Book would be rejected;

27. Bids or revision thereof by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 uploaded after [●] P.M. on the Bid/Issue Closing Date;

28. Bank account details for the refund not given;

29. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

30. Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines and approvals;

31. Bids that do not comply with the securities laws of their respective jurisdictions;

32. Bids by any persons outside India if not in compliance with applicable foreign and Indian laws; and

33. Bids by any persons located in the United States other than "qualified institutional buyers" as defined in Rule 144A under the Securities Act.

Equity Shares in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be 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 and Share Transfer Agent:

a) Agreement dated November 30, 2004 with NSDL, our Company and Alankit Assignments Limited;

b) Agreement dated May 26, 2005 with CDSL, our Company and Alankit Assignments Limited.

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 either of 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) Allotment 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 in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in 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 with his or her Depository Participant.

g) Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. 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 of our Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

Communications

All future communications 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, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid 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 transferred shares in the respective beneficiary accounts, refunds, 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

- 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 Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

- The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the valid Bids in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- If the valid Bids 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 [●] Equity Shares thereafter. For the method of proportionate basis of Allotment, refer below.

B. For Non-Institutional Bidders

- 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 Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Issue size less Allotment to QIBs Bidders and Retail Institutional Bidders shall be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the valid Bids in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the valid Bids in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment 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 Allotment refer

below.

C. For QIBs

- 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.

- The QIB Portion shall be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for 5% of the QIB Portion (excluding the Anchor Investors) shall be determined as follows:

  (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion (excluding the Anchor Investors), allocation to Mutual Funds shall be done on a proportionate basis for 5% of the QIB Portion (excluding the Anchor Investors).

  (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion (excluding the Anchor Investors) then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.

  (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

  (b) In the second instance Allotment to all QIBs Bidders shall be determined as follows:

  (i) In the event of an oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion (excluding the Anchor Investor 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, in the Mutual Fund Portion, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

- The aggregate allocation to QIB Bidders shall be at least [●] Equity Shares. The method of proportionate basis of allotment is stated below.

D. For Anchor Investors

Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the Company, in consultation with the BRLMs and the CBRLM, subject to compliance with the following requirements:

(i) not more than 30% of the QIB Portion will be allocated to Anchor Investors.
(ii) at least one-third of the Anchor Investor Portion shall be available for allocation to Mutual Funds only.
(iii) allocation to a minimum number of two Anchor Investors.

The number of Equity Shares Allotted to Anchor Investors and the Anchor Investor Issue Price shall be made available in the public domain by the BRLMs and the CBRLM before the Bid/Issue Opening Date.

E. For Employee Reservation Portion

- 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 less the Employee Discount.

- If valid Bids in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Eligible Employees to the extent of their demand.

- If valid Bids 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 [●] Equity Shares thereafter. For the method of proportionate basis of allocation, see below.

- Only Eligible Employees (as defined above) are eligible to apply under Employee Reservation Portion.

Illustration of Allotment to QIBs and Mutual Funds ("MF") in the QIB Portion

Issue Details

S. No.	Particulars	Issue details
1	Issue size	200 million Equity Shares
2	Allocation to QIB (60%)	120 million Equity Shares
	Of which:	
	a. Reservation to MF (5%)	6 million Equity Shares
	b. Balance for all QIBs including MFs	114 million Equity Shares
3	No. of QIB applicants	10
4	No. of shares applied for	500 million Equity Shares

B. Details of QIB Bids

S. No	Type of QIB bidders#	No. of Equity Shares bid for (in millions)
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	Total	**500**

A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/ Applicants

(Number of Equity Shares in million)

Type of QIB bidders	Shares bid for	Allocation of 6 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 114 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
A1	50	0	11.40	0
A2	20	0	4.5	0
A3	130	0	29.6	0

Type of QIB bidders	Shares bid for	Allocation of 6 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 114 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
A4	50	0	11.4	0
A5	50	0	11.4	0
MF1	40	1.2	9.1	10.3
MF2	40	1.2	9.1	10.3
MF3	80	2.4	18.2	20.6
MF4	20	0.6	4.5	5.2
MF5	20	0.6	4.5	5.2
	500	**6**	**114**	**51.6**

Please note:

1. The illustration presumes compliance with the requirements specified in this Draft Red Herring Prospectus in "***Issue Structure***" on page 271.
2. Out of 114 million equity shares allocated to QIBs, 6 million (i.e. 5%) will be allocated on proportionate basis among 5 mutual fund applicants who applied for 200 shares in QIB category.
3. The balance 95 million equity shares (i.e. 100 - 5 (available for mutual funds)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 equity shares (including 5 mutual fund applicants who applied for 200 equity shares).
4. The figures in the fourth column titled "Allocation of balance 114 million equity shares to QIBs proportionately" in the above illustration are arrived as under:
   - For QIBs other than mutual funds (A1 to A5)= No. of shares bid for (i.e. in column II) X 114 / 494
   - For mutual funds (MF1 to MF5)= [(No. of shares bid for (i.e. in column II of the table above) less equity shares allotted (i.e., column III of the table above)] X 114/494
   - The numerator and denominator for arriving at allocation of 114 million shares to the 10 QIBs are reduced by 6 million shares, which have already been allotted to mutual funds in the manner specified in column III of the table above.

Method of Proportionate Basis of Allotment in the Issue

Except in relation to Anchor Investors, in the event of the Issue being over-subscribed, our Company shall finalize the basis of Allotment in consultation with the BRLMs, the CBRLM 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, the CBRLM and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalized in a fair and proper manner.

Except in relation to Anchor Investors, the Allotment to Bidders shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorized according to the number of Equity Shares applied for.

b) 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.

c) 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.

d) In all Bids where the proportionate Allotment is less than [•] Equity Shares per Bidder, the allotment shall be made as follows:

- Each successful Bidder shall be Allotted a minimum of [•] Equity Shares; and
- 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.

e) 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 would be rounded off to the higher whole number if that number is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. All Bidders in such categories would be Allotted Equity Shares arrived at after such rounding off.

f) 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 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.

g) Subject to valid Bids being received, Allotment of Equity Shares to Anchor Investors will be at the discretion of the Company, in consultation with the BRLMs and the CBRLM.

Payment of Refund

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid-cum-Application Form, the Registrar will obtain, from the Depositories, the Bidders' address, bank account details, including the nine digit Magnetic Ink Character Recognition ("**MICR**") code as appearing on a cheque leaf. 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 dispatch 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 nor the CBRLM 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.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the centres specified by the RBI. 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. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned 68 centers, except where the applicant, being eligible, opts to receive refund through Direct Credit, NEFT or RTGS.

2. Direct Credit – Applicants having bank accounts with the Refund Banker(s), in this case being, [•] 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.

3. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank branch is NEFT enabled and has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR) code of that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date prior to the date of payment of refund, duly mapped with MICR code. 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 and the past experience of the Registrars to the Issue. 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 this section.

4. RTGS – Applicants having a bank account at any of the centres specified by the RBI and whose refund amount exceeds Rs. 1 million, 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 Form. 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 Bidder.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such 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.

Disposal of applications and application moneys and interest in case of delay

Our Company 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 Working Days of date of Basis of Allotment of Equity Shares.

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/Issue 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 Working Days of the finalisation of Basis of Allotment of the Equity Shares.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, Our Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialized form within 15 (fifteen) days of the Bid/Issue Closing Date;

- Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 (fifteen) days of the Bid/Issue Closing Date would be ensured; and

Our Company shall pay interest at 15% per annum for any delay beyond the 15 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 day time prescribed above as per the SEBI Regulations.

Letters of Allotment or Refund Orders

Our Company shall credit Equity Shares Allotted to the beneficiary account with depository participants within 15 days of the Bid/Issue Closing Date, and shall dispatch refund orders, if any, of value up to Rs. 1,500, by "Under Certificate of Posting", and will dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk within 15 days of the Bid/Issue Closing Date. Applicants

residing at sixty eight centers where clearing houses are managed by the RBI, will get refunds through ECS subject to adequate details being available in the demographic details received from the depositories, except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company further undertakes that:

- Allotment of Equity Shares will be made only in dematerialized form within 15 days from the Bid/Issue Closing Date;
- Dispatch of refunds will be done within 15 days from the Bid/Issue Closing Date; and
- Our Company will pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment is not made, refund instruction are not given and/or demat credits are not made to investors within the 15 day time prescribed above.

Our Company will provide adequate funds required for dispatch of refunds orders or Allotment advice to the Registrar to the Issue.

Refunds will be made through any of the modes described above and bank charges, if any, for encashing cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Interest in case of delay in dispatch of Allotment letters/refund orders

We agree that Allotment of securities offered to the public shall be made not later than 15 days from the Bid/Issue Closing Date. We further agree that we shall pay interest at 15% per annum if the Allotment letters/refund orders have not been dispatched to the applicants 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 within 15 days from the Bid/Issue Closing Date.

In case of revision in the Price Band, the Bidding Period will be extended after revision of Price Band provided that the Bidding Period shall not exceed 10 Working Days. Any revision in the Price Band and the revised Bid Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the web site of the BRLMs and the CBRLM and at the terminals of the Syndicate.

Utilization of Issue proceeds

The Board of Directors declares that:

- All monies received out of this Issue shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- Details of all monies utilized out of the Issue shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- Details of all unutilised monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

Undertakings by our Company

Our Company undertakes the following:

- that the complaints received in respect of this Issue shall be attended by the Company expeditiously and satisfactorily. Our Company has authorised our Deputy Company Secretary as the Compliance Officer to redress all complaints, if any, of the investors participating in this Issue;

- 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;

- that the funds required for making refunds to unsuccessful applicants as per mode(s) disclosed shall be made available to the Registrar to the Issue by the Company;

- that where the refunds are effected through the electronic transfer of funds, suitable communication shall be sent to the applicant within 15 days of closure of the Issue giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit of the refund;

- that the promoter's contribution in full, wherever required, shall be brought in advance before the Issue opens for public subscription;

- that the certificates of the securities or refund orders to the non-resident Indians shall be dispatched within specified time;

- that no further issue of securities shall be made until the Equity Shares offered through this Draft Red Herring Prospectus are listed or till the application monies are refunded on account of non-listing, under-subscription etc;

- that adequate arrangements shall be made to collect all Applications Supported by Blocked Amount (ASBA) and to consider them similar to non-ASBA applications while finalizing the Basis of Allotment; and

- that we shall pay interest of 15% per annum (for any delay beyond 15 days) if allotment has not been made and refund orders have not been dispatched within aforesaid dates.

Issue procedure for ASBA Bidders

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company, the BRLMs and the CBRLM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid cum Application Form is correctly filled up, as described in this section.

The list of banks that have been notified by SEBI to act as SCSB for the ASBA Process are provided on http://www.sebi.gov.in/pmd/scsb.pdf. For details on designated branches of SCSBs collecting the ASBA Bid cum Application Form, please refer the above mentioned SEBI link.

ASBA Process

A Resident Retail Individual Investor shall submit his Bid through an ASBA Bid cum Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder ("**ASBA Account**") is maintained. The SCSB shall block an amount equal to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Bid. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against the allocated shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the BRLMs and/or the CBRLM.

ASBA Bid cum Application Form

ASBA Bidders shall use the ASBA Bid cum Application Form bearing the stamp of the Syndicate Members and/or the Designated Branch of SCSB, as the case may be, for the purpose of making a Bid in terms of the Red

Herring Prospectus. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Bid cum Application form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Bid cum Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA account held with SCSB, and accordingly registering such Bids. The ASBA Bidders can submit only one Bid option in the ASBA Bid cum Application Form which shall be at Cut-off Price.

Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application Form to the Designated Branch of the SCSB, the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

The prescribed colour of the ASBA Bid cum Application Form shall be green.

Who can Bid?

In accordance with the SEBI Regulations, only Resident Retail Individual Investor can submit their application through ASBA process to bid for the Equity Shares of our Company.

Maximum and Minimum Bid Size for ASBA Bidders

The ASBA Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The maximum ASBA Bid cannot exceed [●] Equity Shares in order to ensure that the total Bid Amount blocked in respect of the ASBA Bidder does not exceed Rs. 100,000. The ASBA Bidders shall Bid only at the Cut-off Price indicating their agreement to Bid and purchase Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

Information for the ASBA Bidders:

a. The BRLMs and the CBRLM shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Bid cum Application Form to the SCSBs and the SCSBs will then make available such copies to investors applying under the ASBA process. Additionally, the BRLMs and the CBRLM shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the ASBA Bid cum Application Form and that the same are made available on the websites of the SCSBs.

b. ASBA Bidders, under the ASBA process, who would like to obtain the Red Herring Prospectus and/or the ASBA Bid cum Application Form can obtain the same from the Designated Branches of the SCSBs or the BRLMs or the CBRLM. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the ASBA Bid cum Application Form in electronic form on the websites of the SCSBs.

c. The Bids should be submitted on the prescribed ASBA Bid cum Application Form if applied in physical mode. SCSBs may provide the electronic mode of Bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors.

d. ASBA Bid cum Application Forms should bear the stamp of the Syndicate Members and/or Designated Branch of the SCSB. ASBA Bid cum Application Forms which do not bear the stamp will be rejected.

e. ASBA Bidders shall bid for Equity Shares only at the Cut-off Price, with a single bid option as to the number of Equity Shares.

f. ASBA Bidders shall correctly mention the bank account number in the ASBA Bid cum Application Form and ensure that funds equal to the Bid Amount are available in the bank account maintained with

the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch.

g. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form.

h. ASBA Bidders shall correctly mention their DP ID and Client ID in the ASBA Bid cum Application Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Bid cum Application Form.

i. ASBA Bidders shall not be allowed to revise their Bid and shall not bid under any reserved category.

Method and Process of Bidding

a. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. ASBA Bidders submitting their Bids in physical mode should approach the Designated Branches of the SCSBs. ASBA Bidders submitting their Bids in electronic form shall submit their Bids either using the internet enabled bidding and banking facility of the SCSBs or such other electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors, and accordingly registering such Bids. Every Designated Branch of the SCSB shall accept Bids from all such investors who hold accounts with them and desire to place Bids through them. Such SCSBs shall have the right to vet the Bids, subject to the terms of the SEBI Regulations and Red Herring Prospectus.

b. The Designated Branches of the SCSBs shall give an acknowledgment specifying the application number to the ASBA Bidders as a proof of acceptance of the ASBA Bid cum Application Form. Such acknowledgment does not in any manner guarantee that the Equity Shares bid for shall be Allocated to the ASBA Bidders.

c. Each ASBA Bid cum Application Form will give the ASBA Bidder only one option to bid for the Equity Shares at the Cut-off Price i.e. at the Cap Price of the Price Band and specify the demand (i.e. the number of Equity Shares Bid for) in such option. After determination of the Issue Price, the number of Equity Shares bid for by the ASBA Bidder at the Cut-off Price will be considered for allocation along with the Non-ASBA Retail Bidders who have bid for Equity Shares at or above the Issue Price or at Cut-off Price.

d. Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.

e. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

f. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form. The Designated Branch shall thereafter enter the Bid details from the prescribed ASBA Bid cum Application Form, if submitted in physical mode, or the Bid information submitted through the electronic mode made available by the SCSBs, as the case may be, into the electronic bidding system of the Stock Exchanges and generate a Transaction Registration Slip ("**TRS**"). The TRS shall be furnished to the ASBA Bidder on request.

g. An ASBA Bidder cannot bid, either in physical or electronic mode, on another ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form after bidding on one ASBA Bid cum Application Form, either in physical or electronic mode, has been submitted to the Designated Branches of SCSBs or uploaded by the ASBA Bidder, as the case may be. Submission of a second ASBA Bid cum Application Form or a Non-ASBA Bid cum Application Form to either the same or to another Designated Branch of the SCSB will be treated as multiple Bids and will be 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. **ASBA Bidders are cautioned that Bids for Equity Shares made in the Issue through the ASBA Bid cum Application Form cannot be revised.**

Bidding

a. The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share of Rs. 10 each, Rs. [●] being the Floor Price and Rs. [●] being the Cap Price. The ASBA Bidders can submit only one Bid in the ASBA Bid cum Application Form, that is, at Cut-off Price with single option as to the number of Equity Shares.

b. In accordance with the SEBI Regulations, our Company reserves the right to revise the Price Band during the Bidding Period, in consultation with the BRLMs and the CBRLM. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.

c. In case of revision in the Price Band, the Bid/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 Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and a regional newspaper and also by indicating the change on the websites of the BRLMs, the CBRLM, SCSBs and at the terminals of the members of the Syndicate.

d. Our Company in consultation with the BRLMs and the CBRLM can finalize the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the ASBA Bidders.

e. ASBA Bidders agree that they shall purchase the Equity Shares at any price within the Price Band. In the event the Bid Amount is higher than the subscription amount payable (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the ASBA Account shall be unblocked to the extent to such excess of Bid Amount over the subscription amount payable.

f. In case of an upward revision in the Price Band, announced as above, the number of Equity Shares bid for shall be adjusted downwards (to the previous multiple lot) for the purpose of allotment, such that no additional amount is required to be blocked in the bank account of the ASBA Bidder and the ASBA Bidder is deemed to have approved such revised Bid at Cut-off Price.

Mode of Payment

Upon submission of an ASBA Bid cum Application Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount, in the bank account maintained with the SCSB.

Bid Amounts paid in cash, by money order or by postal order or by stockinvest, or ASBA Bid cum Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Account, in terms of the SEBI Regulations, into the Public Issue Account. The balance amount, if any against the said Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Bid Amount, as per the Bid cum Application Form submitted by the respective ASBA Bidders, would be required to be blocked in the respective ASBA Accounts from the time of the submission of the ASBA Bid cum Application Form, whether in physical or electronic mode, until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against allocated shares to the Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Electronic registration of Bids by SCSBs

a. In case of ASBA Bid cum Application Forms, whether in physical or electronic mode, the Designated Branch of the SCSBs will register the Bids using the online facilities of the Stock Exchanges. SCSB shall not upload any ASBA Application Form in the electronic bidding system of the Stock Exchange(s) unless

(i) it has received the ASBA in a physical or electronic form; and

(ii) it has blocked the application money in the bank account specified in the ASBA or has systems to ensure that Electronic ASBAs are accepted in the system only after blocking of application money in the relevant bank account opened with it.

b. The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bid/Issue Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. ASBA Bidders are cautioned that high inflow of bids typically received on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such bids that are not uploaded may not be considered for allocation.

c. The aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be displayed online at all the Designated Branches of the SCSBs and on the websites of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available at all the Designated Branches of the SCSBs during the Bidding Period.

d. At the time of registering each Bid, the Designated Branches of the SCSBs shall enter the information pertaining to the investor into the online system, including the following details:

- Name of the Bidder(s);
- Application Number;
- Permanent Account Number;
- Number of Equity Shares Bid for;
- Depository Participant identification no.; and
- Client identification No. of the Bidder's beneficiary account.

In case of electronic ASBA, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the abovementioned details in the electronic bidding system provided by the Stock Exchange(s).

e. A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. **It is the ASBA Bidder's responsibility to obtain the TRS from the Designated Branches of the SCSBs.** The registration of the Bid by the Designated Branch of the SCSB does not guarantee that the Equity Shares bid for shall be Allocated to the ASBA Bidders.

f. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

g. It is to be distinctly understood that the permission given by the Stock Exchanges 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 or the BRLMs or the CBRLM or the Designated Branches of the SCSBs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements; nor does it take any responsibility for the financial or other soundness of our Company, our management or any scheme or project of our Company.

h. It is also to be distinctly understood that the approval given by the Stock Exchanges should not in any way be deemed or construed that this Draft Red Herring Prospectus has been cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that our Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

i. The SCSB may reject the ASBA Bid upon receipt of ASBA Bid cum Application Form, if the bank account maintained with the SCSB as mentioned in the ASBA Bid cum Application Form does not have sufficient funds equivalent to the Bid Amount. Subsequent to the acceptance of the Bid by the Designated Branch, our Company would have a right to reject the Bids only on technical grounds.

j. Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. In case of discrepancy of data between the BSE or NSE and the Designated Branches of the SCSBs, the decision of the Registrar, in consultation with the BRLMs, the CBRLM, our Company and the Designated Stock Exchange, based on the physical records of the ASBA Bid cum Application Forms shall be final and binding on all concerned.

Build up of the book and revision of Bids

a. Bids registered through the Designated Branches of the SCSBs 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 with the BRLMs, the CBRLM, the Stock Exchanges and the Designated Branches of the SCSBs on a regular basis.

c. ASBA Bidders shall not revise their Bids.

d. The SCSBs shall provide aggregate information about the numbers of ASBA Bid cum Application Forms uploaded, total number of Equity Shares and total amount blocked against the uploaded ASBA Bid cum Application Form and other information pertaining to the ASBA Bidders. The Registrar to the Issue shall reconcile the electronic data received from the Stock Exchanges and the information received from the SCSBs. In the event of any error or discrepancy, the Registrar to the Issue shall inform the SCSB of the same. The SCSB shall be responsible to provide the rectified data within the time stipulated by the Registrar to the Issue. Further the decision of the Registrar to the Issue in consultation with the BRLMs, the CBRLM, our Company and the Designated Stock Exchange, in this regard shall be final and binding.

e. Only Bids that are uploaded on the online IPO system of the BSE and the NSE shall be considered for allocation/ Allotment.

Price Discovery and Allocation

After the Bid losing Date, the BRLMs and the CBRLM shall aggregate the demand generated under the ASBA process and which details are provided to them by the Registrar to the Issue with the Retail Individual Investor applied under the non ASBA process to determine the demand generated at different price levels. For further details, refer to the "***Issue Procedure -Price Discovery and Allocation***" on page 286.

Signing of Underwriting Agreement and RoC Filing

(a) We, the BRLMs, the CBRLM and the Syndicate Members shall enter into an Underwriting Agreement upon finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, we shall update and file the updated Red Herring Prospectus with the RoC, which then would be termed the 'Prospectus'. The Prospectus would contain details of the Issue Price, Anchor Investor Issue Price and Issue size.

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the RoC, a statutory advertisement will be issued by our Company in a widely circulated English national newspaper and a Hindi national newspaper of wide circulation. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price and Anchor Investor Issue Price. 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 Registrar to the Issue shall send to the Controlling Branches of the SCSBs, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue. Investors should note that our Company shall endeavour to ensure that the demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in this Issue; and

(b) The ASBA Bidders shall directly receive the CAN from the Registrar. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the ASBA Bidder.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalisation of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Bid, as the case may be.

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 bank account of the ASBA Bidders to the Public Issue Account on the Designated Date, to the extent applicable, our Company would ensure the credit of the Allotted Equity Shares to the depository accounts of all successful ASBA Bidders' within two Working Days from the date of Allotment.

(b) As per the SEBI Regulations, **Equity Shares will be issued, transferred 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.

GENERAL INSTRUCTIONS

Do's:

a. Check if you are a Resident Retail Individual Investor and eligible to Bid under ASBA process.

b. Ensure that you use the ASBA Bid cum Application Form specified for the purposes of ASBA process.

c. Read all the instructions carefully and complete the ASBA Bid cum Application Form (if the Bid is submitted in physical mode, the prescribed ASBA Bid cum Application Form is green in colour).

d. Ensure that your Bid is at the Cut-off Price.

e. Ensure that you have mentioned only one Bid option with respect to the number of equity shares in the ASBA Bid cum Application Form.

f. Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

g. Ensure that your Bid is submitted at a Designated Branch of an SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to our Company or Registrar or Lead Manager to the Issue.

h. Ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder.

i. Ensure that you have mentioned the correct bank account No. in the ASBA Bid cum Application Form.

j. Ensure that you have funds equal to the number of Equity Shares Bid for at Cut-off Price available in your bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB.

k. Ensure that you have correctly checked the authorisation box in the ASBA Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form in your ASBA Account maintained with a branch of the concerned SCSB.

l. Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA Bid cum Application Form.

m. Ensure that you have mentioned your Permanent Account Number ("**PAN**") allotted under the I.T. Act.

n. Ensure that the name(s) and PAN(s) given in the ASBA Bid cum Application Form is exactly the same as the name(s) and PAN(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid 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 ASBA Bid cum Application Form.

o. Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts:

a. Do not submit an ASBA Bid if you are not a Resident Retail Individual Investor.

b. Do not submit an ASBA Bid if you are applying under any reserved category.

c. Do not revise your Bid.

d. Do not Bid for lower than the minimum Bid size.

e. Do not Bid on another ASBA or Non-ASBA Bid cum Application Form after you have submitted a Bid to a Designated Branch of the SCSB.

f. Payment of Bid Amounts in any mode other than blocked amounts in the bank accounts maintained by SCSBs, shall not be accepted under the ASBA process.

g. Do not send your physical ASBA Bid cum Application Form by post; instead submit the same to a Designated Branch of the SCSB only.

h. Do not fill up the ASBA Bid cum Application Form such that the bid amount against the number of Equity Shares Bid for exceeds Rs. 100,000.

i. Do not submit the GIR number instead of the PAN.

j. Do not instruct your respective banks to release the funds blocked in the bank account under the ASBA process.

Bids by ASBA Bidders must be:

a. Made only in the prescribed ASBA Bid cum Application Form, which is green in colour if submitted in physical mode, or electronic mode.

b. In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

c. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA Bid cum Application Form.

d. The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum of [●] Equity Shares such that the Bid Amount does not exceed Rs. 100,000.

e. Thumb impressions and signatures other than in the languages specified in 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.

ASBA Bidder's depository account and bank details

ALL ASBA BIDDERS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALISED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PERMANENT ACCOUNT NUMBER IN THE ASBA BID CUM APPLICATION FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE ASBA BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. ADDITIONALLY, THE PERMANENT ACCOUNT NUMBER IN THE ASBA BID CUM APPLICATION FORM SHOULD BE EXACTLY THE SAME AS PROVIDED WHILE DEPOSITORY ACCOUNT. IN CASE THE ASBA 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 ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE ASBA BID CUM APPLICATION FORM.

ASBA Bidders should note that on the basis of name of the ASBA Bidders, PAN, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address, ("Demographic Details"). Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA Bid cum Application Form.

As these Demographic Details would be used for all correspondence with the ASBA Bidders they are advised to update their Demographic Details as provided to their Depository Participants.

By signing the ASBA Bid cum Application Form, the ASBA Bidder is 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.

CAN/Allocation advice and letters intimating unblocking of bank account of the respective ASBA Bidder would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/Allocation advice or letters intimating unblocking of bank account may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches of the SCSBs, the members of the Syndicate, or our Company shall be liable to compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected.

ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

Payment mechanism under ASBA

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the application money in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until

withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount.

In the event of withdrawal or rejection of Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the Controlling Branch of the SCSB to unblock the application money in the relevant bank account. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

ASBA Bids under Power of Attorney

In case of ASBA Bids made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs and the CBRLM, reserves the right to reject such ASBA Bids.

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 ASBA Bid cum Application Form, subject to such terms and conditions that we, in consultation with the BRLMs and the CBRLM may deem fit.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

In case an ASBA Bidder wants to withdraw the ASBA Bid cum Application Form during the Bid/Issue Period, the ASBA Bidder shall submit the withdrawal request to the SCSB, which shall do the necessary, including deletion of details of the withdrawn ASBA from the electronic bidding system of the Stock Exchange(s) and unblocking of funds in the relevant bank account.

In case an ASBA Bidder wants to withdraw the ASBA cum Application Form after the Bid/issue Closing Date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB on finalization of the Basis of Allotment.

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Multiple ASBA Bids

An ASBA Bidder should submit only one Bid for the total number of Equity Shares desired. 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 described in "***Issue Procedure- Multiple Bids***" on page 296.

Permanent Account Number

For details, see "***Permanent Account Number or PAN***" on page 297.

Right to Reject ASBA Bids

The Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Bid cum Application Form does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue.

GROUNDS FOR TECHNICAL REJECTIONS UNDER THE ASBA PROCESS

In addition to the grounds listed under "***Grounds for Technical Rejection***" on page 297, applications under the ASBA process are liable to be rejected on, *inter alia*, the following technical grounds:

1. Application on plain paper or on split form;
2. Amount mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of Equity Shares Bid for;
3. Bids at a price other than at the Cut-off Price;
4. Age of first Bidder not given;
5. Bid made by categories of investors other than Resident Retail Individual Investors;
6. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;
7. PAN not stated, or GIR number furnished instead of PAN. See "***Issue Procedure - Permanent Account Number or PAN***" on page 297;
8. Bids for number of Equity Shares, which are not in multiples of [●];
9. Authorisation for blocking funds in the ASBA Bidder's bank account not ticked or provided;
10. Multiple Bids as defined in this Draft Red Herring Prospectus;
11. In case of Bid under power of attorney, relevant documents are not submitted;
12. ASBA Bids accompanied by stockinvest/money order/postal order/cash;
13. Signature of sole and/or joint Bidders missing in case of ASBA Bid cum Application Forms submitted in physical mode;
14. ASBA Bid cum Application Form does not have the stamp of the SCSB and/or a member of the Syndicate;
15. ASBA Bid cum Application Form does not have the Bidder's depository account details;
16. ASBA Bid cum Application Form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA Bid cum Application Form and the Red Herring Prospectus;
17. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the ASBA Account;
18. 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 DP ID and the beneficiary account number; and
19. If the ASBA Bid in the Issue is revised.

Bidders are advised that ASBA Bids not uploaded in the electronic book of the Stock Exchanges, due to any of the grounds mentioned above, would be rejected.

COMMUNICATIONS

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First ASBA Bidder, ASBA Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Bid cum Application Form, name and address of the Designated Branch of the SCSB where the ASBA Bid was submitted, bank account number in which the amount equivalent to the Bid amount was blocked and a copy of the acknowledgement slip. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or willful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held. The Company, the BRLMs, the CBRLM, the Syndicate Members and the Registrar accept no responsibility for errors, omissions, commissions or any acts of SCSB's including any defaults in complying with its obligations under applicable SEBI Regulations.

ASBA Investors can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA Bid cum Application Form was submitted, or the Registrar to the Issue in case of any pre- or post-Issue related problems such as non-receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

Disposal of Investor Grievances

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked on application, bank account number and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Impersonation

For details, see "***Issue Procedure- Impersonation***" on page 265.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY IN INSTRUCTIONS TO SCSBs BY THE REGISTRAR TO THE ISSUE

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, we undertake that:

- Allotment and transfer shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- Instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 15 days from the Bid/Issue Closing Date; and
- We shall pay interest at 15% per annum for any delay beyond the 15 day period mentioned above, if Allotment is not made, instructions for unblocking of ASBA Bidder's Bank Account are not dispatched and/or demat credits are not made to investors within the 15 day period prescribed above.

Basis of Allocation

Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. The basis of allocation to such valid ASBA and non-ASBA Bidders will be that applicable to Retail Individual Bidders. For details, see "***Issue Procedure- Basis of Allotment***" on page 300.

Method of Proportionate basis of allocation in the Issue

ASBA Bidders, along with non-ASBA Bidders, will be categorized as Retail Individual Bidders. No preference shall be given vis-à-vis ASBA and non-ASBA Bidders.

Undertaking by our Company

In addition to our undertakings described under "***Issue Procedure- Undertaking by our Company***", with respect to the ASBA Bidders, we undertake that adequate arrangement shall be made to collect all ASBA Bid cum Application Forms and to consider ASBA Bidders similar to other Bidders while finalizing the basis of allocation.

Utilisation of Issue Proceeds

Our Board has provided certain certifications with respect to the utilization of Issue Proceeds. For details, see ***"Issue Procedure- Utilization of Issue Proceeds"*** on page 306.

SECTION VIII - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning given to such terms in the Articles of Association of the Company.

The regulations contained in Table A in Schedule I to the Companies Act, 1956 shall not apply to the Company and the regulations herein contained shall be the regulations for the management of the Company and for the observance of its members and their representatives. They shall be binding on the Company and its members as if they are the terms of an agreement between them.

SHARE CAPITAL

3. The Authorised Share Capital of the Company shall be such as given in Clause V of the Memorandum of Association of the Company as altered from time to time.

4. Further Issue of Shares:

(1) Where at any time after the expiry of two years from the 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 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 those shares at that date;

(b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;

(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) hereof shall contain a statement of this right;

(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 of Directors may dispose off them in such manner as they think most beneficial to the Company.

(2) Notwithstanding anything contained in sub clause (1) 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 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 resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, 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-clause (c) of (1) hereof shall be deemed:

(a) To extend the time within which the offer should be accepted; or

(b) To authorize 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 in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company;

(i) To convert such debentures or loans into shares in the Company; or

(ii) To subscribe for shares in the Company.

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term;

(a) 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 the rules, if any, made by the Central Government in this behalf; and

(b) 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 by the Company in general meeting before the issue of the debentures or raising of the loans.

5. Subject to the provisions of these Articles and of the Act, the shares shall be under the control of the Board of Directors, who may issue, allot or otherwise dispose off the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with section 79 of the Act) at a discount and at such time as they may from time to time think fit and with sanction of the Company in a general meeting to give to any person or persons the option or right to call for any shares of the Company, either at a premium or at par during such time and for such consideration as the Board of Directors may 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 except with the sanction of the Company in General Meeting. The Board shall cause to be made the returns as to allotment provided for in Section 75 of the Act.

6. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares 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 purposes of these Articles, be a member.

7.

(1) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act and whether or not the company is being wound up be varied with the consent in writing of the holders of three fourths of the issued shares of that class, or with a sanction of a resolution passed at a separate meeting of the holders of the shares of that class.
(2) Subject to the provisions of Section 170 (2) (a) and (b) of the Act, to every such separate meeting, the provisions of these regulations relating to meetings shall mutatis mutandis apply, but so that the necessary quorum shall be five persons at least holding or representing by proxy or one-third of the issued shares of the class in question.

8. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

9.

(1) The company may exercise the powers of paying commissions conferred by Section 76 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Section.

(2) The rate of commission shall not exceed the rate of 5% (five percent) of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 5% (five percent) of such price, as the case may be and in the case of debentures 2 % (two and a half percent) of the price at which the debentures in respect whereof the same is paid are issued or an amount equal to 2 % (two and a half percent) of such price, as the case may be.
(3) The commission may be satisfied by payment in cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.
(4) The Company may also, on any issue of shares, pay such brokerage as may be lawful.

10. Subject to section 187-C of the Act, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent future or partial interest in any share or any interest in any fractional part of a share or any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

11.

(1) Every person, whose name is entered as a member in the register of members, shall be entitled to receive within three months after allotment (or within such other period as the conditions of issue shall provide) or within one month of the receipt of the application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares (as the case may be), is received by the Company.
(a) one or more certificates in marketable lots, for all his shares of each class or denomination registered in his name, without payment, or
(b) if the Board of Directors so approve (upon paying such fee as the Board of Directors may so determine) to several certificates, each for one or more of his shares. Provided that any sub-division, consolidation or splitting of certificates required in marketable lots shall be done by the Company free of any charges.
(2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereon.
(3) In respect of any 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 for a share to one of several joint holders shall be sufficient delivery to all such holders.

12. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate is lost and destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company may deem adequate, being given, a new Certificate shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate shall be issued without payment of fees if the Directors so decide, or the 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.
Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulations or requirements of any Stock Exchange or the rules made under the Act or rules made under the Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.
The provision of this Article shall mutatis mutandis apply to the debentures of the Company.

13. The Company may issue such fractional certificates as the Board may approve in respect of any of the shares of the Company on such terms as the Board thinks fit as to the period within which the fractional certificates are to converted into share certificates.

14. If any share stands in the names of two or more persons, the person first named in the register members shall, as regards receipt of dividends, the service of notices and subject to the provisions of these Articles, all or any other matter connected with the Company except the issue of share certificates, voting at meeting and the transfer of the share, be deemed the sole holder thereof.

15A. Dematerialisation of Securities:
1. Definitions: For the purpose of this Article:-
'Beneficial Owner' means a person or persons whose name(s) is recorded as such with a depository;
'SEBI' means the Securities & Exchange Board of India.

‘Depository’ means a Company formed and registered under the Companies Act, 1956, or any other body which has been granted registration to act as a depository under the Securities & Exchange Board of India Act, 1992; and
‘Security’ means such security or Securities of the Company as may be specified by SEBI from time to time.
2. Dematerialisation of Securities: 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 Depositories Act, 1996.
3. Options for Investors: 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 certificates of Securities.
If a person opts to hold his security with a depository, the Company shall intimate 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.
4. Securities in depositories to be in fungible form: All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
5. Rights of depositories and beneficial owners:
(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 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 / her securities which are held by a depository.
6. Service of documents: 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 on the Company by means of electronic mode or by delivery of floppies or discs.
7. Transfer of securities: 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.
8. Allotment of securities dealt with in a depository: 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.
9. Distinctive numbers of securities held in a depository: 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.
10. Register and Index of beneficial owners: 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 purpose of these Articles.

16. Pursuant to applicable laws and notwithstanding anything else contained to the contrary in these Articles, the Company may acquire, purchase, buy-back and hold, cancel, resell or otherwise deal with its own shares or other specified securities from out of its free reserves or securities premium account or the proceeds of an issue of shares or other specified securities or by any other mode or manner and/or upon such terms and conditions and subject to such limits and such approvals as may be legally permissible.

LIEN

17. (1) The fully paid shares shall be free from all lien and that in the case of partly paid shares the Company’s lien shall be restricted to moneys called or payable at a fixed time in respect of such shares. The Company shall have a first and paramount lien upon every share/debenture (not being a fully paid up share/debenture) registered in the name of every member (whether solely or jointly with others), and upon the proceeds of sale thereof for all money (whether presently payable or not) called or payable at a fixed time in respect of that share/debenture and no equitable interest in any share shall be created except upon the footing and 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 a share/debenture shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Board of Directors may at any time declare any shares/debentures to be wholly or in part to be exempt from the provisions of this Article.
(2) The Company's lien, if any, on a share shall extend to all dividends payable thereon, subject to section 205A of the Act.

CALLS ON SHARES

21. (1) The Board of Directors may, from time to time, make calls upon the members in respect of money unpaid on their snares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.
(2) Each member shall, subject to receiving at least thirty days notice specifying the time or times and place of payment of the call money pay to the Company at the time or times and place so specified, the amount called on his shares.
(3) A call may be revoked or postponed at the discretion of the Board.

22. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed. Call money may be required to be paid by instalments.

23. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

24.

(1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at such rate of interest as the Board may determine.
(2) The Board shall be at liberty to waive payment of any such interest wholly or in part.

28. 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 a forfeiture of such shares as hereinafter provided.

TRANSFER AND TRANSMISSION OF SHARES

29. The Company shall keep a "Register of Transfers", and therein shall be fairly and distinctly enter particulars of every transfer or transmission of any share.

30. (1) The instrument of transfer of any share in the Company shall executed by or on behalf of both the transferor and the transferee.
(2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

31. The instrument of transfer shall be in writing and all the provisions of Section 108 of the Companies Act, 1956 and of any modification thereof for the time being shall be complied with in respect of all transfers of shares and registration thereof.

32. Unless the Directors decide otherwise, when an instrument of transfer is tendered by the transferee, before registering any such transfer, the Directors shall give notice by letter sent by registered acknowledgment due post to the registered holder that such transfer has been lodged and that unless objection is taken the transfer will be registered. If such registered holder fails to lodge an objection in writing at the office within ten days from the posting of such notice to him, he shall be deemed to have admitted the validity of the said transfer. Where no notice is received by the registered holder, the Directors shall be deemed to have decided not to give notice and in any event the no-receipt by the registered holder of any notice shall not entitle him to make any claim of any kind against the Company or the Directors in respect of such non-receipt.

33. A common form of transfer of shares or debentures, as the case may be, shall be used by the Company.

TRANSFER OF SHARES

34. The Board of Directors may, subject to the right of appeal conferred by Section 111 of the Companies Act, 1956, decline to register :-
(a) the 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; or
(b) any transfer of the share on which the Company has a lien, provided that the registration of transfer shall not be refused on the ground of transferor being either alone or jointly with any person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.
(c) Notice of refusal to transfer shares to transferor and transferee or the person giving intimation of such transmission shall be sent within 30 days from the date on which the instrument of transfer or the intimation of such transmission, as the case may be, was delivered to the Company, giving reasons for such refusal.

35. The Board may also decline to recognise any instrument of transfer unless-
(a) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
(b) the instrument is in respect of only one class of shares.

36. All instruments of transfer which shall be registered shall be retained by the Company, but may be destroyed upon the expiration of such period as the Board may from time to time determine. Any instrument of transfer which the Board declines to register shall (except in any case of fraud) be returned to the person depositing the same.

TRANSMISSION OF SHARES

38. (1) On the death of a member, the survivor or survivors where the member was a joint holder and his legal representative where he was a sole holder shall be the only person recognised by the Company as having any title to his interest in the shares.
(2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

39.

(1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided elect, either :-
(a) to be registered himself as holder of the share; or
(b) to make such transfer of the shares as the deceased or insolvent member could have made.

(2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had himself transferred the share before his death or insolvency.

40.

(1) If the person so becoming entitled, shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
(2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
(3) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer were a transfer signed by that member.

FORFEITURE OF SHARES

44. If a member fails to pay any call or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

45. The notice aforesaid shall:-

(a) name a further day (not earlier than the expiry of 30 (thirty) days from the date of service of notice) on or before which the payment required by the notice is to be made; and
(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made, will be liable to be forfeited.

46. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time, thereafter before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the date of forfeiture, which shall be the date on which the resolution of the Board is passed forfeiting the shares.

47. (1) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
(2) At any time before a sale or disposal, as aforesaid, the Board may annul the forfeiture on such terms as it thinks fit.

48. (1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which, at date of forfeiture, were presently payable by him to the Company is respect of the shares together with interest thereon from the time of forfeiture until payment at the rate of 9% (nine percent) per annum.
(2) The liability of such person shall cease if and when the Company shall have received payments in full of all such moneys in respect of the shares.

49. (1) A duly verified declaration in writing that the declarant is a director or the secretary of the Company and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts stated therein stated as against all persons claiming to be entitled to the share.
(2) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
(3) The transferee shall thereupon be registered as the holder of the share.
(4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

50. The provisions of these regulations as to forfeiture shall apply, in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

51. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share, and all other rights incidental thereto except only such of those rights as by these Articles are expressly saved.

52. Upon any sale, after forfeiture or for enforcing a lien in purported exercise of powers hereinbefore 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 purchaser 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 damaged only and against the Company exclusively.

53. Upon any sale, re-allotment or other disposal under the provisions of these Articles relating to lien or to forfeiture, 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. When any shares, under the powers in that behalf herein contained are sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such shares, the Board may issue a new certificate for such shares distinguishing it in such manner as it may think fit, from the certificate not so delivered.

54. The directors may, subject to the provisions of the Act, accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof.

SHARE WARRANTS

59. The Company may issue share warrant, subject to and in accordance with, the provisions of Sections 114 and 115 of the Act and accordingly the Board may in its discretion, with respect to any share which is fully paid up, on application in writing signed by the person registered as holder of the share and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application and on receiving the certificate (if any) of the share: and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.

60.

(1) The bearer of a share warrant may at any time deposit the warrant at the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company and of attending and voting and exercising, the other privileges of a member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited warrant.
(2) Not more than one person shall be recognised as depositor of the share warrant.
(3) The company shall, on two days written notice, return the deposited share warrant to the depositor.

ALTERATION OF CAPITAL

63. The Company may, from time to time, by ordinary resolution increase its share capital by such sum, to be divided into shares of such amount, as the resolution shall specify.

64. The Company may, by ordinary resolution in general meeting:-
(a) consolidate and divide all or any of its capital into shares of larger amounts than its existing shares;
(b) sub-divide its shares or any of them, into shares of smaller amounts than is fixed by the Memorandum of Association, so however, than in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
(c) cancel any share which, at the date of the passing of the resolution in that behalf, 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 cancelled.

65. The Company may from time to time, by special resolution and on compliance with the provisions of Section 100 to 105 of the Act, reduce its share capital and any capital reserve fund or share premium account.

66. The Company shall have power to establish Branch Offices, subject to the provisions of Section 8 of the Act or any statutory modifications thereof.

67. The Company shall have power to pay interest out of its capital on so much of shares which were issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provisions of any plant for the Company in accordance with the provisions of Section 208 of the Act.

68. The Company, if authorised by a special resolution passed at a General Meeting may amalgamate or cause itself to be amalgamated with any other person, or body corporate, subject however, to the provisions of Section 391 to 394 of the Act.

GENERAL MEETINGS

69. All General Meetings other than the Annual General Meetings of the Company shall be called Extra-ordinary General Meetings.

70.

(1) The Board may, whenever it thinks fit, call an Extraordinary General Meeting.
(2) If at any time there are not within India Directors capable of acting who are sufficient in number to form a quorum, any Director or any two members of the Company may call an extraordinary general meeting in the same manners, as nearly as possible, to that in which such a meeting may be called by the Board.

VOTES OF MEMBERS

80. Subject to any rights or restrictions for the time being attached to any class or classes of shares :-
(a) on a show of hands, every member present in person shall have one vote; and
(b) on a poll, the voting rights of members shall be as laid down in Section 87 of the Act.

81. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names of joint holders stand in the Register of members.

82. 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 his committee or other legal guardian, and any such committee or guardian may on a poll, vote by proxy, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the office not less than 24 hours before the time of holding the meeting or adjourned meeting at which such person claims to vote on poll.

83. No member shall be entitled to vote at any general meeting unless all calls, and other sums presently payable by him in respect of shares in the Company or in respect of shares on which the Company has exercised any right of lien, have been paid.

84. (1) No objection shall be raised to the qualification of any voter, except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
(2) Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision thereon shall be final and conclusive.

85. 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 that power or authority, shall be deposited at the registered office of the Company, not less than 48 hours before the time for holding the meeting of adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated valid.

86. An instrument appointing a proxy shall be in either of the forms in Schedule IX to the Act or in a form as near thereto as circumstances admit.

87. 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 the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given, if no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

88. Untill otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three or more than eighteen.

89. A full-time member of the Board of Directors shall be a person who has experience of, and has shown capacity in:-
(a) design, construction, operation and maintenance of generating stations; (b) transmission and supply of electricity; (c) applied economics; (d) organizing workers; (e) industrial, commercial or financial matters; or (f) administration in a Central Government Department or other establishment.

91. At every Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation in accordance with the provisions of Section 255 of the Act or if their number is not three or a multiple of three, than the number nearest to one third shall retire from office in accordance with the provisions of Section 256 of the Act.

92. (1) The fee payable to the Directors for attending meetings of the Board or committee(s) thereof shall, from time to time, be determined by the Board of the Directors of the Company.

(2) Subject to the provisions of Sections 309, 310 and 314 of the Act, the Directors shall be paid such further remuneration, whether in the form of monthly payment or by a percentage of profit or otherwise, as the Company in General Meeting may, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and in such manner as the Board may, from time to time, determine and in default of such determination, shall be divided among the Directors equally or if so determined paid on a monthly basis.
(3) The remuneration of the Directors shall, in so far as it consists or a monthly payment, be deemed to accrue from day to day.
(4) Subject to the provisions of Sections 198, 309, 310 and 314 of the Act, if any Director be called upon to perform any extra services or make special exertions or efforts (which expression shall include work done by a Director as a member of any committee formed by the Directors) the Board may pay such Director special remuneration for such extra services or special exertions or efforts either by way of a fixed sum or by percentage of profit or otherwise and may allow such Director at the cost and expense of the Company such facilities or amenities (such as rent free house, free medical aid and free conveyance) as the Board may determine from time to time.
(5) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid in accordance with Company's rules to be made by the Board all travelling, hotel and other expenses properly incurred by them:-
(a) In attending and returning from meetings or adjourned meeting of the Board of Directors of any committee thereof; or
(b) In connection with the business of the Company.

93. The Directors shall not be required to hold any qualification shares in the company.

100. The office of a Director shall become vacant:-
(i) on the happening of any of the events provided for in Section 283 of the Act;
(ii) on contravention of the provisions of Section 314 of the Act, or any statutory modifications thereof;
(iii) if a person is a Director of more than twenty Companies at a time;
(iv) in the case of alternate Director on return of the original Director to the State, in terms of Section 313 of the Act; or
(v) on resignation of his office by notice in writing and is accepted by the Board.

POWERS OF BOARD OF DIRECTORS

102. The Board of directors may pay all expenses incurred in the formation, promotion and registration of the Company.

103. The Company may exercise the powers conferred by Section 50 of the Act, with regard to having an official seal for use abroad and such powers shall be vested in the Board.

104. The Company may exercise the powers conferred on it by Section 157 and 158 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of those Sections) make and vary such regulations as it may think fit with respect to the keeping of any such register.

105. The Directors may enter into contracts or arrangements on behalf of the Company subject to the necessary disclosures required by the Act being made wherever any Director is in any way, whether directly or indirectly concerned or interested in the contract or arrangement.

BORROWING POWER

106. Subject to the provisions of sections 58A, 292 and 293 of the Act, and Regulations made thereunder and directions issued by the R.B.I. the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property (both present and future) and uncalled capital, or any part thereof and to issue debentures, debenture-stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

107. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit and in particular by a resolution passed at a meeting of the Board (and not by circulation) by the issue of debenture or debenture stock of the Company,

charged upon all or any of the property of the Company (both present and future), including its uncalled capital for the time being.

108. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on the condition that they shall be convertible into shares of any authorised denomination, and with privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at general meetings, appointment of Directors and otherwise, provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting by a special resolution.

109. All cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by such person and in such manner as the Board may, from time to time, by resolution determine.

MANAGING DIRECTOR(S) AND WHOLE TIME DIRECTOR(S)

121. Subject to provisions of Sections 197A, 269, 198 and 309 of the Act, the Board of Directors may, from time to time, appoint one or more of their body to the office of Managing Director/s or whole time Director/s for a period not exceeding 5 (five) years at a time and on such terms and conditions as the Board may think fit and subject to the terms of any agreement entered into with him, may revoke such appointment and in making such appointments the Board shall ensure compliance with the requirements of the Companies Act, 1956 and shall seek and obtain such approvals as are prescribed by the Act, provided that a Director so appointed, shall not be whilst holding such office, be subject to retirement by rotation but his appointment shall be automatically determined if he ceases to be a Director. However, he shall be counted in determining the number of retiring Directors.

122. The Board may entrust and confer upon Managing Director/s or Whole time Director/s any of the powers of management which would not otherwise be exercisable by him upon such terms and conditions and with such restrictions as the Board, may think fit, subject always to the superintendence, control and direction of the Board and the Board may, from time to time, revoke, withdraw, alter or vary all or any of such powers.

DIVIDENDS AND RESERVES

126. The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

127. The Board may, from time to time, pay to the members such interim dividends as appear it to be justified by the profits earned by the Company.

128. (1) The Board may, before recommending any dividend, set aside out of the profits of the Company, such sums, as it may think proper, as reserve or reserves which shall at the discretion of the Board, be applicable for any of the purposes to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends and pending such applications may at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
(2) The Board may also carry forward any profits which it may think prudent not to divide, without setting them aside as a reserve.

129. (1) Subject to the rights of the persons, if any, holding shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid.
(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as having been paid on the share.
(3) 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 terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

130. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company subject to section 205A of the Act.

131. (1) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post direct to the registered address of the holder or, in case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the first named holder or joint holders may in writing direct.
(2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

132. Any one of two or more joint holders of a share may give effectual receipts for any dividends, bonus or other moneys payable in respect of such share.

133. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

134. No dividend shall bear interest against the Company, irrespective of the reason for which it have remained unpaid. No unclaimed or unpaid dividends shall be forfeited by the Board before the claim becomes barred by law and the Company shall comply with the provisions of Section 205(A) of the Companies Act in respect of such dividends.

CAPITALISATION OF PROFITS

138. (1) The Company in Board Meeting may resolve :-
(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the Profit and Loss Account, or otherwise available for distribution; and
(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) among the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
(2) The sum aforesaid shall not be paid in cash, but shall be applied, subject to the provisions contained in clause (3), either in or towards :-
(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;
(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid: or
(iii) partly in the way specified in sub-clause (i) and partly in that is specified in sub-clause (ii).
(3) Any share premium account and any capital redemption reserve fund may, for the purpose of this regulation, only be applied in the paying up of unissued share to be issued to members of the Company as fully paid bonus shares.
(4) The Board shall give effect to the resolution passed by it in pursuance of this regulation.

139.

(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall :-
(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and allotment and issue of fully paid shares, if any; and
(b) do all acts and things required to give effect thereto.
(2) The Board shall have full power :-
(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit in the case of shares becoming distributable in fractions: and also
(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to him respectively, credited as fully paid up, of any further shares to which that may be entitled upon such capitalisation or (as the case may require) for the payment by the company on their behalf, by the application thereto of their respective proportions of the profit resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares.
(3) Any agreement made under such authority shall be effective and binding on all such members.

WINDING UP

141. (1) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
(2) For the purpose aforesaid, the liquidator may set such values as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
(3) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

142. Subject to the provisions of Section 201 of the Act, every Director, auditor, secretary and other officer or servant of the Company (all of whom are hereinafter referred to as officer or servant) shall be indemnified by the Company, and it shall be the duty of the Directors out of the funds of the Company to pay, all bonafide costs, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or thing done or omitted by him as such officer or servant or in any way in the discharge of his duties; and in particular, and so as not to limit the generality of the foregoing provisions, against any liability incurred by such officer or servant in defending any bonafide proceedings whether civil or criminal in which a 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. The amount for which such indemnity is provided shall immediately attach as a charge on the property of the Company.

SECTION IX - 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 have been attached to the copy of this Draft Red Herring Prospectus, delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at our Registered Office from 10.00 am to 4.00 p.m. on Working Days from the date of the Red Herring Prospectus until the date of closing of the subscription list.

Material Contracts to the Issue

1. Issue Agreement among our Company and the BRLMs and the CBRLM.
2. Agreement dated [●] executed by our Company and the Registrar to the Issue.
3. Escrow Agreement dated [●] among our Company, the BRLMs, the CBRLM, the Escrow Banks and the Registrar to the Issue.
4. Syndicate Agreement dated [●] among our Company, the BRLMs, the CBRLM and the Syndicate Member.
5. Underwriting Agreement dated [●] among our Company, the BRLMs, the CBRLM, the Syndicate Member and the Registrar to the Issue.

Material Documents

1. Our Memorandum and Articles of Association as amended until date.
2. Our certificate of incorporation dated January 30, 1995.
3. Board resolution and shareholders' resolution of our Company dated December 10, 2009 and December 11, 2009, respectively, authorizing the Issue and other related matters.
4. Report of the Auditors dated December 18, 2009 prepared as per Indian GAAP and mentioned in the "***Financial Statements***" on page F1.
5. Copies of annual reports of our Company for the last five fiscals.
6. The statement of tax benefit report dated December 22, 2009 prepared by the Auditors as mentioned in "***Statement of Tax Benefits***" on page 51.
7. Consent of the Auditors for inclusion of their report on accounts in the form and context in which they appear in this Draft Red Herring Prospectus.
8. Consents of Bankers to our Company, BRLMs, the CBRLM, Syndicate Member, Registrar to the Issue, Bankers to the Issue, legal counsels, Directors of our Company, Deputy Company Secretary and Compliance Officer, as referred to act, in their respective capacities.
9. Initial listing applications dated [●] and [●] filed with the BSE and the NSE, respectively.
10. In-principle listing approvals dated [●] and [●] from the BSE and the NSE, respectively
11. Tripartite Agreement dated November 30, 2004 among NSDL, our Company and Alankit Assignments Limited.
12. Tripartite Agreement dated May 26, 2005 among CDSL, our Company and Alankit Assignments Limited.
13. SEBI observation letter no. [●] dated [●].
14. Due diligence certificate dated [●] to SEBI from the BRLMs the CBRLM.
15. IPO Grading Report by [●] dated [●].
16. Information Memoranda dated March 2009 and August 2009 for the Tamnar II Project along with the Clarifications issued by SBI Capital Markets Limited.
17. Information Memoranda dated November 2009 for the Dumka and Godda Projects along with the Clarifications issued by SBI Capital Markets Limited.

18. Unencumbered net worth certificates dated December 22, 2009 issued by JSPL, Gagan Infraenergy and Opelina.

19. Letters of guarantee dated December 23, 2009 issued by JSPL, Gagan Infraenergy and Opelina.

Key contracts in relation to the business of the Company

1. Memoranda of understanding dated February 1, 2008 and April 2, 2008 among our Company and the Government of Chhattisgarh/Chhattisgarh State Electricity Board.

2. Agreement for assignment between our Company and Jindal Steel & Power Limited dated November 30, 2009 for the Dumka and Godda Projects.

3. Coal supply agreement between our Company and Shresht Mining and Metals Private Limited dated November 30, 2009 for supply of coal to Dumka Project.

4. Coal supply agreement between our Company and Jindal Steel & Power Limited dated November 30, 2009 for supply of coal to the Godda Project.

5. Joint venture agreement dated December 8, 2008 between our Company and the Hydro Power Corporation of Arunachal Pradesh Limited for the development of Etalin Project.

6. Joint venture agreement dated December 8, 2008 between our Company and the Hydro Power Corporation of Arunachal Pradesh Limited for the development of Attunli Project.

7. Joint venture agreement dated August 29, 2009 between our Company and the Hydro Power Corporation of Arunachal Pradesh Limited.

8. Memorandum of understanding dated June 3, 2008 between our Company and the Government of Jharkhand.

9. Memorandum of Understanding dated February 7, 2009 between Jindal Steel & Power Limited and Governor of Odisha represented by the Commissioner-cum-Secretary, Energy Department.

10. Agreement of assignment between our Company and Jindal Steel & Power Limited dated November 30, 2009 for the Angul Project.

11. Survey license issued by the Department of Electricity Development, Ministry of Energy, Government of Nepal to our Company for the generation of electricity from the Chainpur Seti Hydro Electricity Project.

12. Joint venture agreement dated July 14, 2008 among our Company, Gagan Infraenergy Limited and Mineral Management Services India Private Limited.

13. Trademark License Agreement dated December 23, 2009 between JSPL and our Company.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes

DECLARATION

All relevant provisions of the Companies Act, 1956, and the guidelines issued by the GoI or the guidelines issued by 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 the rules made thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY

_____ **(MR. NAVEEN JINDAL)**	_____ **(MR. SHARDUL SURESH SHROFF)**
_____ **(DR. RAJENDRA PRASAD SINGH)**	_____ **(MR. HARDIP SINGH WIRK)**
_____ **(MR. SUSHIL KUMAR MAROO)**	_____ **(MR. PRADEEP KUMAR`TRIPATHI)**
_____ **(MR. KISHORE KUMAR SINHA)**	_____ **(MR. ASHOK KUMAR BASU)**
_____ **(MR. PRADIP KUMAR CHAKRABORTY)**	_____ **(MR. ARUN KUMAR PURWAR)**
_____ **(MR. RAM VINAY SHAHI)**	_____ **(MR. ANAND GOEL)**

Date: December 29, 2009

Place: New Delhi

Mr. Mahim Singh Mehta
Senior Vice President – Finance and Accounts