Red Herring Prospectus
Dated November 20, 2009
Please read Section 60B of the Companies Act, 1956
100% Book Building Issue

JSW ENERGY LIMITED

(Our Company was incorporated as Jindal Tractebel Power Company Limited under the Companies Act, 1956 on March 10, 1994 in Mumbai. The name of our Company was changed to Jindal Thermal Power Company Limited on January 17, 2002. Subsequently the name of our Company was changed to JSW Energy Limited on December 7, 2005. For details of the change in our name, see "History and Certain Corporate Matters" on page 142 of this Red Herring Prospectus.)

Registered Office: Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai 400 026, Maharashtra.
Corporate Office: The Enclave, Behind Marathe Udyog Bhavan, New Prabhadevi Road, Prabhadevi, Mumbai 400025.
Company Secretary and Compliance Officer: Mr. S. Madhavan
Tel: (91 22) 6783 8000; **Fax:** (91 22) 2432 0740; **Email:** ipo.jswenergy@jsw.in; **Website:** www.jsw.in
Promoters of our Company: Mr. Sajjan Jindal, Mr. P.R. Jindal, Mrs. Sangita Jindal, JSW Investments Private Limited and Sun Investments Private Limited

PUBLIC ISSUE OF [•] EQUITY SHARES OF Rs. 10 EACH OF JSW ENERGY LIMITED ("JSWEL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF Rs. [•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF Rs. [•] PER EQUITY SHARE) AGGREGATING UP TO Rs. 27,000 MILLION (THE "ISSUE"). THE ISSUE WILL CONSTITUTE [•]%OF THE POST ISSUE PAID-UP CAPITAL OF THE COMPANY. THE FACE VALUE OF EQUITY SHARES IS Rs. 10 EACH. THE PRICE BAND, RETAIL DISCOUNT AND THE MINIMUM BID LOT WILL BE DECIDED BY THE COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ADVERTISED AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE #.

 # A discount of Rs. [•] to the Issue Price determined pursuant to completion of the Book Buildng Process has been offered to Retail Individual Bidders (the "Retail Discount").

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

In accordance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 ("SCRR"), this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), out of which 5% (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 all QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. 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% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the 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.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares 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 of the face value. The Issue Price (has been determined and justified by the Book Running Lead Managers and our Company as stated in the section "Basis for Issue Price" on page 56 of this Red Herring Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company 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 the Issuer 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 Red Herring Prospectus. Specific attention of the investors is drawn to the section titled "Risk Factors" on page xiii of this Red Herring Prospectus.

IPO GRADING

This Issue has been graded by CARE as CARE IPO Grade 4, indicating above average fundamentals through its letter dated September 9, 2009 For details see "General Information" beginning on page 19 of this Red Herring Prospectus and refer to "Material Contracts and Documents for Inspection" on page 455 of this Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING ARRANGEMENT

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the NSE and the BSE. We have received in-principle approval from NSE and BSE for the listing of our Equity Shares pursuant to their letters dated September 8, 2009 and September 4, 2009, respectively. For purposes of the Issue, the Designated Stock Exchange is BSE.

BOOK RUNNING LEAD MANAGERS

JM Financial Consultants Private Limited 141, Maker Chambers III Nariman Point Mumbai 400 021 Tel: (91 22) 6630 3030/3953 3030 Fax: (91 22) 22047185 Email: jswel.ipo@jmfinancial.in Investor Grievance Id: grievance.ibd@jmfinancial.in Website: www.jmfinancial.in SEBI Registration No.: INM000010361 Contact Person: Mr. Rohit Pareek	**Kotak Mahindra Capital Company Limited** 1st Floor, Bakhtawar 229 Nariman Point Mumbai 400 021 Tel: (91 22) 6634 1100 Fax: (91 22) 2283 7517 Email: jswel.ipo@kotak.com Investor Grievance Id: kmccredressal@kotak.com Website: www.kotak.com SEBI Registration No.: INM000008704 Contact Person: Mr. Chandrakant Bhole	**ICICI Securities Limited** ICICI Centre , H.T. Parekh Marg Churchgate Mumbai 400 020 Tel: (91 22) 2288 2460/70 Fax: (91 22) 2282 6580 E-mail: project.prakash@icicisecurities.com Investor Grievance Id: customercare@icicisecurities.com Website: www.icicisecurities.com SEBI Registration No.: INM000011179 Contact Person: Mr. Sumanth Rao	**IDFC – SSKI Limited** 803/4 Tulsiani Chambers 8th Floor, Nariman Point Mumbai 400 021 Tel: (91 22) 6638 3333 Fax: (91 22) 2204 0282 Email: jswenergy.ipo@idfcsski.com Investor Grievance Id: complaints@idfcsski.com Website: www.idfcsski.com SEBI Reg. No. INM000011336 Contact Person: Mr. Hiren Raipancholia

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE ISSUE
J.P. Morgan India Private Limited J.P. Morgan Tower, Off CST Road Kalina, Santacruz (East) Mumbai 400 098 Tel: (91 22) 6157 3000 Fax: (91 22) 6157 3911 Email: project_prakash@jpmchase.com Investor Grievance Id: investorsmb.jpmipl@jpmorgan.com Website: www.jpmipl.com SEBI Registration No.: INM000002970 Contact Person: Ms. Shweta M Kamdar	**SBI Capital Markets Limited** 202, Maker Towers 'E', Cuffe Parade Mumbai 400 005 Tel: (91 22) 2217 8300 Fax: (91 22) 2218 8332 Email: jswenergy.ipo@sbicaps.com Investor Grievance Id: investor.relations@sbicaps.com Website: www.sbicaps.com SEBI Registration No: INM000003531 Contact Person: Mr. Abhishek Gupta	**Morgan Stanley India Company Private Limited** 5F, 55-56, Free Press House Free Press Journal Marg Mumbai 400 021 Tel: (91 22) 6621 0555 Fax: (91 22) 6621 0556 Email: project_prakash@morganstanley.com Investor Grievance Id: investors_india@morganstanley.com Website:www.morganstanley.com/indiaofferdocuments SEBI Registration No. : INM000011203 Contact Person: Mr. Mayank Pagaria	**IDBI Capital Market Services Limited** 5th Floor, Mafatlal Centre Nariman Point Mumbai 400 021 Tel: (91 22) 4322 1212 Fax: (91 22) 2283 8782 Email: jswenergy.ipo@idbicapital.com Investor Grievance Id : redressal@idbicapital.com Website: www.idbicapital.com SEBI Registration No: INM000010866 Contact Person: Mr. Piyush Bansal	**Karvy Computershare Private Limited** Plot No. 17-24, Vittal Rao Nagar Madhapur Hyderabad 500 081 Tel: (91 40) 2342 0815 / 2342 0816 Fax: (91 40) 2342 0859 Email: jswenergy.ipo@karvy.com Website: www.karvy.com Contact Person: Mr. M. Murali Krishna SEBI Registration Number: INR000000221

BID/ISSUE PROGRAMME*

BID / ISSUE OPENS ON : DECEMBER 7, 2009	BID / ISSUE CLOSES ON : DECEMBER 9, 2009

** Anchor Investor Bid/ Issue Period shall be one day prior to the Bid/ Issue Opening Date*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Term	Description
"We", "us", "our", "the Issuer", "the Company", "our Company" or "JSWEL"	Unless the context otherwise indicates or implies, refers to JSW Energy Limited on a standalone basis.

Company Related Terms

Term	Description
Articles/Articles of Association	The Articles of Association of our Company
Auditors	The statutory auditors of our Company, M/s. Lodha & Co., Chartered Accountants
Board of Directors/Board	The board of directors of our Company or a committee constituted thereof
Director(s)	Director(s) of our Company, unless otherwise specified
Group Companies	Includes those companies, firms and ventures promoted by our Promoters, irrespective of whether such entities are covered under section 370(1)(B) of the Companies Act and disclosed in the section "Our Promoters and Group Companies" on page 165 of this Red Herring Prospectus
Identified Projects	Projects as defined in the "Objects of the Issue" on page 39 of the Red Herring Prospectus.
JERL	JSW Energy (Raigarh) Limited
JPTL	Jaigad PowerTransco Limited
JSL	Jindal Saw Limited
JSLL	JSL Limited (Formerly known as Jindal Stainless Limited)
JSPL	Jindal Steel & Power Limited
JSWCL	JSW Cement Limited
JSW Group	The group of companies managed by Mr. Sajjan Jindal
JSWEIPL	JSW Energy Investments Private Limited
JSWERL	JSW Energy (Ratnagiri) Limited
JSWEVL	JSW Energy (Vijayanagar) Limited
JSWHL	Jindal South West Holdings Limited
JSWIL	JSW Infrastructure Limited
JSWIPL	JSW Investments Private Limited
JSWPTC	JSW Power Trading Company Limited
JSWPTL	JSW PowerTransco Limited
JSWSL	JSW Steel Limited
KMP	Key Managerial Personnel
Memorandum/Memorandum of Association	The memorandum of association of our Company.
O.P. Jindal Group	The group of companies managed by Mr. P.R. Jindal, Mr. Sajjan Jindal, Mr. Ratan Jindal and Mr. Naveen Jindal
RWPL	Raj WestPower Limited
Promoters	Mr. Sajjan Jindal, Mr. P.R. Jindal, Mrs. Sangita Jindal, Sun Investments Private Limited and JSW Investments Private Limited
Promoter Group	Includes such persons and entities constituting our promoter group in terms of Regulation 2(zb) of the SEBI Regulations
PTPUJ	PT Param Utama Jaya
SBU – I	The Company's 2X130 MW operational power project at Vijayanagar, Karnataka
SBU – II	The Company's 2X300 MW operational power project at Vijayanagar, Karnataka
SHA	Shareholder's Agreement
SIPL	Sun Investments Private Limited
SISCOL	Southern Iron & Steel Company Limited
Subsidiaries	JSW Energy (Ratnagiri) Limited, Raj WestPower Limited, Jaigad PowerTransco

Term	Description
	Limited, JSW Power Trading Company Limited, JSW Energy (Raigarh) Limited and PT Param Utama Jaya

Issue Related Terms

Term	Description
Allotment/ Allot	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion with a minimum Bid of Rs. 100 million.
Anchor Investor Bid/Issue Period	The date, being the date one day prior to the Bid/Issue Opening Date, on which the Syndicate shall accept Bids from Anchor Investors
Anchor Investor Issue Price	The final price at which Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price.
Anchor Investor Margin Amount	An amount representing 25% of the Bid Amount payable by an Anchor Investor at the time of submission of its Bid
Anchor Investor Portion	Up to 30% of the QIB Portion which may be allocated by the Company to Anchor Investors on a discretionary basis. 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
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by a Resident Retail Individual Bidder to make a Bid authorising a SCSB to block the Bid Amount in their specified bank account maintained with the SCSB
ASBA Bidder	Any Resident Retail Individual Bidder who intends to apply through ASBA and (a) is bidding at Cut-off Price, with single option as to the number of shares; (b) is applying through blocking of funds in a bank account with the SCSB; (c) has agreed not to revise his/her bid; and (d) is not bidding under any of the reserved categories
ASBA Bid cum Application Form or ASBA BCAF	The 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
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account will be opened, in this case being HDFC Bank Limited, ICICI Bank Limited, IDBI Bank Limited, Kotak Mahindra Bank Limited, Punjab National Bank, State Bank of India, Standard Chartered Bank and Yes Bank Limited
Basis of Allotment	The basis on which Equity Shares will be Allotted to Bidders under the Issue and which is described in "Issue Procedure – Basis of Allotment" on page 414 of the Red Herring Prospectus
Bid	An indication to make an offer during the Bidding Period (including, in the case of Anchor Investors, the Anchor Investor Bid/Issue Period) by a Bidder pursuant to submission of a Bid cum Application Form to subscribe to the Equity Shares of our Company 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 to subscribe to the Equity Shares of the Company at Cut-off Price
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and which is payable by the Bidder (other than an Anchor Investor) on submission of the Bid in the Issue. The Anchor Investor Margin Amount shall be payable by an Anchor Investor on submission of a Bid in the Issue.
Bid /Issue Closing Date	The date after which the Syndicate and SCSB will not accept any Bids for the Issue, which shall be notified in an English national newspaper, a Hindi national newspaper and a Marathi newspaper, each with wide circulation
Bid /Issue Opening Date	The date on which the Syndicate and SCSB shall start accepting Bids for the Issue, which shall be the date notified in an English national newspaper, a Hindi national newspaper and a Marathi newspaper, each with wide circulation
Bid cum Application Form	The form used by a Bidder to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring

Term	Description
	Prospectus and the Bid cum Application Form
Bidding/Issue Period	The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids, including any revisions thereof
Book Building Process/ Method	Book building route as provided in Schedule XI of the SEBI Regulations, in terms of which this Issue is being made
BRLMs/Book Running Lead Managers	JM Financial, Kotak, I-Sec, IDFC – SSKI, JPM, SBICAPS, Morgan Stanley and IDBI Caps
Business Day	Any day on which commercial banks in Mumbai are open for business
CAN/Confirmation of Allocation Note	Note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted
CARE	Credit Analysis and Research Limited
Controlling Branches	Such branches of the SCSB which coordinate with the BRLMs, the Registrar to the Issue and the Stock Exchanges.
Cut-off Price	Issue Price (net of Retail Discount, as applicable), finalised by the Company in consultation with the BRLMs. Only Retail Individual Bidders whose Bid Amount does not exceed Rs. 100,000 (net of Retail Discount), are entitled to bid at the Cut Off Price, for a Bid Amount not exceeding Rs. 100,000. QIBs and Non-Institutional Bidders are not entitled to bid at the Cut-Off Price.
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 to the Public Issue Account or the amount blocked by the SCSB is transferred from the bank account of the ASBA Bidder 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 successful Bidders
Designated Stock Exchange	Bombay Stock Exchange Limited
DP ID	Depository Participant's Identity
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not contain complete particulars of the price at which the Equity Shares are issued and the size (in terms of value) of the Issue
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein
Equity Shares	Equity shares of our Company of Rs. 10 each, unless otherwise specified
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder (including Anchor Investor and excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the BRLMs, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form or the ASBA Bid cum Application Form
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalised and below which no Bids will be accepted
ICICI	ICICI Bank Limited
IDBI	IDBI Bank Limited
IDBI Caps	IDBI Capital Market Services Limited
IDFC	Infrastructure Development Finance Company Limited
IDFC - SSKI	IDFC - SSKI Limited
I-Sec	ICICI Securities Limited
Issue	Public issue of [●] Equity Shares of Rs. 10 each of JSW Energy Limited for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) aggregating up to Rs. 27,000 million.
Issue Price	The final price at which Equity Shares will be issued and allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date
Issue Proceeds	The proceeds of the Issue that are available to the Company
JM Financial	JM Financial Consultants Private Limited
JPM	J.P. Morgan India Private Limited

Term	Description
Kotak/ KMCC	Kotak Mahindra Capital Company Limited
Margin Amount	The amount paid by the Bidder (other than an Anchor Investor) at the time of submission of his/her Bid, being 10% to 100% of the Bid Amount
Monitoring Agency	IDBI Bank Limited
Morgan Stanley	Morgan Stanley India Company Private Limited
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) or such number of Equity Shares of Rs. 10 each aggregating to Rs. 810 million, (assuming the QIB Portion is for 60% of the Issue Size) available for allocation to Mutual Funds only, out of the QIB Portion (excluding the Anchor Investor Portion)
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Net Proceeds	The Issue Proceeds less the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses see "Objects of the Issue" on page 39 of this Red Herring Prospectus
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000 (but not including NRIs other than eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than such number of Equity Shares of Rs. 10 each aggregating to Rs. 2,700 million available for allocation to Non-Institutional Bidders
Non-Resident	A person resident outside India, as defined under FEMA and includes a non-resident Indian
Pay-in Date	Bid Closing Date or the last date specified in the CAN sent to Bidders or Anchor Investors, as applicable
Pay-in-Period	(i) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date; and extending until the Bid/ Issue Closing Date; and (ii) With respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date and extending until the closure of the Pay-in Date
Pre-IPO Placement	A pre-placement of Equity Shares to various investors made by the Company prior to the filing of the Red Herring Prospectus with the RoC.
Price Band	Price band of a minimum price (floor of the price band) of Rs. [●] and the maximum price (cap of the price band) of Rs. [●] and includes revisions thereof. The price band will be decided by the Company in consultation with the Book Running Lead Manager and advertised in the English language, in the Hindi language and in the Marathi language 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 finalizes the Issue Price
Prospectus	The Prospectus to be filed with the RoC in accordance with 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
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account on the Designated Date
QIB Margin Amount	An amount representing at least 10% of the Bid Amount, payable by QIB Bidders (other than Anchor Investors) at the time of submission of their Bid
QIB Portion	The portion of the Issue being not less than such number of Equity Shares of Rs. 10 each aggregating to Rs. 16,200 million, to be Allotted to QIBs
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FIIs and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with IRDA, provident fund with minimum corpus of Rs. 25 crores, pension fund with minimum corpus of Rs. 25 crores and National Investment Fund set up by Government of India.
Refund Account	The account opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding to the ASBA Bidders) shall be made.
Refund Banker(s)	ICICI Bank Limited and IDBI Bank Limited
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit, RTGS or the ASBA process as applicable
Registrar to the Issue	Registrar to the Issue, in this case being Karvy Computershare Private Limited.
Retail 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 Retail Individual Bidders

Term	Description
Retail Individual Bidder(s)	Individual Bidders (including HUFs applying through their Karta and eligible NRIs) who have not Bid for Equity Shares for an amount more than Rs. 100,000 (net of Retail Discount) in any of the bidding options in the Issue.
Retail Portion	The portion of the Issue being not less than such number of Equity Shares of Rs. 10 each aggregating to Rs. 8,100 million available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders, excluding ASBA Bidders, to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s)
RHP or Red Herring Prospectus	The Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three (3) days before the Bid Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
SBICAPS	SBI Capital Markets Limited
SCSB Agreement	The agreement to be entered into between the SCSBs, the BRLMs, the Registrar to the Issue and the Company only in relation to the collection of Bids from the ASBA Bidders
Self Certified Syndicate Bank or SCSB	The Banks which are registered with SEBI under SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in
Stock Exchanges	BSE and NSE
Syndicate	The BRLMs and the Syndicate Members
Syndicate Agreement	The agreement to be entered into between the Syndicate and our Company in relation to the collection of Bids in this Issue (excluding Bids from the ASBA Bidders)
Syndicate Members	JM Financial Services Private Limited, Kotak Securities Limited, SBICAP Securities Private Limited, ICICI Securities Limited, Sharekhan Limited, IDBI Capital Market Services Limited
TRS/ Transaction Registration Slip	The slip or document issued by a member of the Syndicate or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	The BRLMs and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriters and our Company to be entered into on or after the Pricing Date

Conventional and General Terms/ Abbreviations

Term	Description
A/c	Account
Act or Companies Act	Companies Act, 1956 and amendments made from time to time
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BIFR	Board for Industrial and Financial Reconstruction
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CESTAT	Central Excise and Service Tax Appellate Tribunal
Companies Act	Companies Act, 1956 as amended from time to time
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996 as amended from time to time
DER	Debt Equity Ratio
DIN	Director Identification Number
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting
EPS	Unless otherwise specified, Earnings Per Share, i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares during that fiscal year

Term	Description
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investor) Regulations, 1995 registered with SEBI under applicable laws in India
Financial Year/ Fiscal/fiscal/ FY	Period of twelve months ended March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
GDP	Gross Domestic Product
GoI/Government	Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
Income Tax Act	The Income Tax Act, 1961, as amended from time to time
IT	Information Technology
IT Department	Income Tax Department
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
JV	Joint Venture
JVA	Joint Venture Agreement
JVC	Joint Venture Company
Mn / mn	Million
MoU	Memorandum of Understanding
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, is a person resident outside India, as defined under FEMA and the FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of up to 60% by NRIs including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in this Issue
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Persons of Indian Origin
PLR	Prime Lending Rate
RBI	The Reserve Bank of India
RoC	The Registrar of Companies, Maharashtra located at Everest, 100 Marine Drive, Mumbai 400 002

Term	Description
RONW	Return on Net Worth
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
SBAR	State Bank Advance Rate
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time
Sec.	Section
Securities Act	US Securities Act, 1933, as amended
SIA	Secretariat for Industrial Assistance
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SLP	Special Leave Petition
Stamp Act	The Indian Stamp Act, 1899
State Government	The government of a state of India
Stock Exchange(s)	BSE and/ or NSE as the context may refer to
UIN	Unique Identification Number
U.S. / USA / US	United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD/ US$ / US Dollars	United States Dollar
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996, as amended from time to time

Technical/Industry Related Terms

Term	Description
AAI	Airports Authority of India
BOOM	Build, Own, Operate and Maintain
BOT	Build, Operate and Transfer
BOOT	Build, Own, Operate and Transfer
BTG	Boiler, Turbine and Generator
CBM	Coal Bed Methane
CCL	Central Coalfields Limited
CDM	Clean Development Mechanism
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CERs	Certified Emission Reductions
CFBC	Circulating Fluidized Bed Combustion
COD	Commercial Operation Date
CSA	Coal Supply Agreement
CTA	Coal Transportation Agreement
DPR	Detailed Project Report
EIA	Environmental Impact Assessment
Electricity Act	The Electricity Act 2003, as amended from time to time
EMP	Environment Management Plan
EPC	Engineering, Procurement and Construction
ERC	Electricity Regulatory Commission
FI	Financial Institutions
FR	Feasibility Report
GoG	Government of Gujarat
GoHP	Government of Himachal Pradesh
GoJ	Government of Jharkhand
GoM	Government of Maharashtra
GoR	Government of Rajasthan

Term	Description
GSTA	Gas Sale and Transportation Agreement
IA	Implementation Agreement
IDC	Interest During Construction
IM	Information Memorandum
IPP	Independent Power Producer
KERC	Karnataka Electricity Regulatory Commission
KPTCL	Karnataka Power Transmission Corporation Limited
KW	Kilo Watt
kWh	Kilo Watt Hour
LAO	Land Acquisition Officer
LD	Liquidated Damages
LOA	Letter of Allotment
LOC	Letter of Credit
LOI	Letter of Intent
MERC	Maharashtra Electricity Regulatory Commission
MIDC	Maharashtra Industrial Development Corporation
Mmscmd	Million Metric Standard Cubic Meter Per Day
MoEF	Ministry of Environment and Forests
MoA	Memorandum of Agreement
MPCB	Maharashtra Pollution Control Board
MPP	Mega Power Project
MSEB	Maharashtra State Electricity Board
Mtpa	Million tons per annum
MW	Megawatts
NTP	Notice to Proceed
NTPC	National Thermal Power Corporation Limited
O&M	Operation and Maintenance
PCB	Pollution Control Board
PCKL	Power Company of Karnataka Limited
PFC	Power Finance Corporation Limited
PFR	Project Feasibility Report
PLF	Plant Load Factor
PNB	Punjab National Bank
PPA	Power Purchase Agreement
RERC	Rajasthan Electricity Regulatory Commission
RfP	Request for Proposal
RfQ	Request for Qualification
RLDC	Regional Load Despatch Centre
RRVPNL	Rajasthan Rajya Vidyut Prasaran Nigam Limited
SEBs	State Electricity Boards
SERC	State Electricity Regulatory Commission
SEZ	Special Economic Zone
SPV	Special Purpose Vehicle
sq. km.	Square kilometre
UMPP	Ultra Mega Power Project
UNFCCC	United Nations Framework Convention on Climate Change
Units	kWh
UPPCL	Uttar Pradesh Power Corporation Limited
UPSIDC	Uttar Pradesh State Industrial Development Corporation Limited
VERs	Verified Emission Reductions

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless stated otherwise, the financial data in this Red Herring Prospectus is derived from our restated financial statements, prepared in accordance with Indian GAAP and the SEBI Regulations, which are included in this Red Herring Prospectus except for any financial information for the year ended March 31, 2005 for which the Company only has unconsolidated financial statements. Our fiscal year commences on April 1 and ends on March 31 of the next year. The Company only has unconsolidated financial statements for the year ended March 31, 2005 as the Company did not have any subsidiaries during the year ended March 31, 2005.

All references to a particular fiscal year unless otherwise indicated, are to the 12 month period ended March 31 of that year.

There are significant differences among Indian GAAP, IFRS and US GAAP. Although we have presented a summary of significant differences between Indian GAAP, IFRS and the US GAAP, we have not attempted to quantify their impact on the financial data included herein and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this 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 Red Herring Prospectus should accordingly be limited.

In this Red Herring Prospectus, any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off.

Any percentage amounts, as set forth in "Risk Factors", "Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP.

Currency of Presentation

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US$", "USD" or "US Dollars" are to United States Dollars, the official currency of the United States of America.

This Red Herring Prospectus contains translations of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI Regulations. These translations should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

Unless otherwise stated, the Company has in this Red Herring Prospectus used a conversion rate of Rs. 48.04 for one US Dollar, being the RBI reference rate as of September 30, 2009 (Source: RBI website). Such translations should not be considered as a representation that such U.S Dollar amounts have been, could have been or could be converted into Rupees at any particular rate, the rates stated above or at all.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Red Herring Prospectus has been obtained from industry publications and Government data. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Company believes that industry data used in this Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

In accordance with the SEBI Regulations, we have included in the section titled "Basis for the Issue Price" in this Red Herring Prospectus, 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.

The extent to which the market and industry data used in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

NOTICE TO INVESTORS

The Equity Shares have not been recommended by any US federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this 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 US 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 only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this 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 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 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 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 authorised, nor do they authorise, 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 Red Herring Prospectus.

FORWARD-LOOKING STATEMENTS

This 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 strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant statement.

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

1. Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy;
2. Unavailability of fuel for our power plants;
3. Limited operating history;
4. Inability to enter into financing/ off-take arrangements for the proposed projects;
5. Inability to set up projects within the estimated time frame;
6. Certain inherent construction, financing and operational risks in relation to our projects;
7. The monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates;
8. Foreign exchange rates, equity prices or other rates or prices;
9. The performance of the financial markets in India;
10. General economic and business conditions in India;
11. Changes in laws and regulations that apply to our clients, suppliers and the power generation and trading and construction and property development sectors;
12. Increasing competition in and the conditions of our clients, suppliers and the power generation and trading and construction and property development sectors; and
13. Changes in political conditions in India.

For further discussion of factors that could cause our actual results to differ from our expectations, see "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages xiii, 76 and 309 of this Red Herring Prospectus. 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, our Directors, nor any of the Underwriters nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof. In accordance with SEBI requirements our Company and the BRLMs will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

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 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 consolidated financial statements.

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

RISKS RELATED TO OUR BUSINESS OPERATIONS

1. Our projects under development require various approvals from various government entities. Any delay in obtaining or inability to obtain these approvals could have a material adverse effect on our financial results and business prospects.

We currently have four projects aggregating 7,740 MW of capacity under development which is significantly more than the 3,650 MW of capacity that is operational, under construction or implementation. Even before we achieve financial closure or can begin construction, we need certain key approvals and/or documents 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; entering into fuel supply, plant and equipment procurement, or financing agreements. For example:

- We have either not yet commenced or are still in the process of acquiring land for some of the projects under development;
- We have not yet obtained approval to develop 2 x 800 MW coal based power project, which we propose to develop as a CPP to meet the entire power requirement of the steel plant to be developed by JSWSL in West Bengal. We currently only have approval to develop a power plant with 990 MW of capacity for this project;
- We have not yet obtained final approval to increase the capacity of our power plant in Raipur, Chhattisgarh currently under development from 1,100 MW to 1,320 MW; and
- We do not have environmental approvals nor have achieved financial closure nor have detailed project reports for any of our projects under development.
- We cannot assure you that we will obtain these approvals, consents, MoU, LoI or enter into these documents or enter into binding documentation which means that all our projects under development are at risk of being delayed, derailed or not proceeding at all, any of which could have a material adverse effect on our financial results and business prospects.

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

Substantially all of the Company's revenue has been derived from our 260 MW power plant in Karnataka and from our newly operational 600 MW power plant in Karnataka in the three months ended September 30, 2009. Due to the high levels of current and proposed development activity and due to the long gestation periods before projects achieve commercial operation, the Company's historical financial results may not accurately predict its future performance. The total amount deployed by the Company in projects comprising RWPL and JSWERL as of October 31, 2009 was Rs. 68,265.50 million. Further, we do not expect the two projects currently under construction, totaling 2,280 MW to achieve commercial operation until April 2011; the two projects under implementation totaling 510 MW to achieve commercial operation until January 2013 – December 2015; and the four projects under development totaling 7,740 MW to achieve commercial operation between August 2014 and August 2015. 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. As the development of power plants becomes, as anticipated, an important part of the Company's overall business, the Company's financial condition and results of operations will increasingly depend on the performance of these new power plants.

Also, the viability of our power projects under construction, implementation, and development 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 plants 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 predict the competition nor the environment in which we may then be required to operate.

3. ***We do not have government approval to increase the capacity for two of our projects and if we do not receive such approval, we may not be able to develop these projects to the extent of our proposed expansion which may impact our financing.***

We have entered into a MoU with the Government of Maharashtra to set up a 1,000 MW power project at Ratnagiri. We intend to expand the capacity of this project to 1,200 MW. We also intend to develop an additional 270 MW power project at Barmer, Rajasthan on the same parcel of land as RWPL's 1,080 MW power project at that location. Although we have applied to the respective governments for approval, we cannot assure you that these governments will grant these capacity expansions.

If the same is delayed or not received, we may be in breach of these agreements and we may not be able to develop these projects to the extent of our proposed expansion which may impact our financing.

4. ***The construction and operation of our power projects or mines may face opposition from local communities and other parties which may also adversely affect our results of operations and financial condition.***

The construction and operation of power projects and mines have, in the past, and future projects may, become politicised and face opposition from the local communities where these projects are located and from special interest groups. In particular, the public may oppose the acquisition or lease of land and/or mining operations due to the perceived negative impact it may have on such communities or on the environment. For example, writ petitions have been filed by certain persons challenging the acquisition of land for our RWPL project. 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. However, the state government is ultimately responsible for disbursing compensation funded by us to those individuals that are displaced due to our projects. There can be no assurance that there will not be any objection to or dispute in relation to such resettlement, including litigation which may require us to suspend 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 significant opposition to the construction of our power projects from local communities, non-government organizations and other parties which may also adversely affect our results of operations and financial condition.

5. ***The operation of our power plant at Ratnagiri and its integration with the power grid is subject to the order of the High Court of Delhi and in case of an adverse order, our results of operation and financial condition will be adversely affected.***

The Ministry of Environment and Forests, GoI, had granted environmental clearance for our 4x300MW power plant at Ratnagiri. A petition was filed in the National Environment Appellate Authority

("NEAA") challenging the environmental clearance granted to us by the MoEF. Upon the dismissal of the case by the NEAA, a petition was filed before the High Court of Delhi against the order of the NEAA. The High Court by its order dated September 18, 2009 directed the Expert Appraisal Committee ("EAC") to re-examine its environmental approval granted to us for our 1,200 MW power plant, at Ratnagiri preferably within a period of three months from the date of the order. The High Court by its order has restricted our ability to make our 1,200 MW power plant operational and integrating it with the power grid till EAC completes the process of re-examination of the environment approval already granted for the power plant. The High Court has however permitted the Company to undertake tests and operational trials at this power plant and also integrate the power plant with the power grid for these purposes. We have incurred substantial costs for the construction of this power plant. If the EAC does not complete the process of re-examination of its approval in a timely manner, or if the EAC does not grant us the environmental approval for this power plant, we may not be able to commence commercial operations of the power plant and link the power plant with the power grid, and consequently our results of operation and financial condition will be adversely affected. For further details refer, "Outstanding Litigation and Material Developments" on page 355 of the Red Herring Prospectus.

6. ***Delays in the completion of our current power projects under construction or implementation could have adverse effects on our financial results; all of our power projects, with two exceptions, are either in the construction, implementation or development phase and we cannot assure you that these projects will reach commercial operation as expected on a timely basis, if at all.***

Only two of our power projects and a portion of another project are operational or have been commissioned. Three projects and a significant portion of another project are either in the construction or implementation phase, and another four projects are in the development stage. Each project is required to achieve commercial operation no later than the scheduled commercial operations date specified under the implementation agreement or power purchase agreement, subject to certain limited exceptions. The scheduled completion dates for our projects are estimates and are subject to the risks arising from contractor performance shortfalls. Any of which could give rise to delays, cost overruns or the termination of a project's development.

Although a third party contractor may be liable to us for payment of liquidated damages and/or penalty amounts if the project fails to achieve commercial operation by the scheduled commercial operations date, we may nevertheless still be liable for liquidated damages under implementation agreements, regardless of whether we have recourse to the contractor for the delay. Further, the liquidated damages payable by a contractor to the relevant project company may not be sufficient to cover the amount owed by us or commensurate with the range of remedies available to our customers.

Delays may also result in forfeiture of security deposits, performance guarantees being invoked, cost overruns, lower or no returns on capital, erosion of capital and reduced revenue for the project company, as well as failure to meet scheduled debt service payment dates. The failure by our project companies to make timely debt service payments could result in a loss on our investment in such project companies if lenders trigger the security under the financing agreements due to a project company's payment default. Moreover, any loss of goodwill could adversely affect our ability to pre-qualify for future projects.

7. ***We may not be able to raise additional capital to fund the balance of costs for Identified Projects which may have a material adverse impact on our project costs and schedules and in turn on our business, financial condition and results of operations.***

The Net Proceeds we expect to receive from the Issue only cover part of the estimated cost to complete the Identified Projects. We may have to raise an additional amount (including undisbursed debt amounts) of approximately Rs. 99,795.00 million to fund the balance of costs for such Projects. We have entered into Loan Agreements and/or have obtained letters of intent from various banks for up to Rs. 99,795.00 million. The letters of intent require us to enter into definitive agreements within four months of the dates of these letters. We may not be able to reach 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. Our sanction letters with ICICI Bank relating to our projects under development in Rajasthan and Himachal Pradesh have expired and we have applied for new sanction letters. However until such renewed sanction letters are received, ICICI Bank has no obligation to arrange such loans for us. For more details, see "Objects of the Issue – Means of Finance" on page 41 of this Red Herring Prospectus.

We cannot assure you that we will be able to arrange financing on terms that would be acceptable to us, or at all. Other sources of financing may not be available and we may not be able to obtain the capital necessary to fund our projects.

The implementation of the Identified Projects is also subject to a number of variables and the actual amount of capital requirements to implement the Identified Projects may differ from our estimates. If we experience a significant increase in capital requirements as we have with our hydroelectric power project in Himachal Pradesh 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. Failure to raise all the necessary capital will have a material adverse impact on the implementation of the Identified Projects, project costs and schedules and in turn on our business, financial condition and results of operations.

8. ***Merchant power projects are subject to regulatory and tariff risks which may affect our results of operations.***

There is limited history of merchant power plants in India. Risks related to merchant power projects include:

- Payment risks due to steep increases in fuel cost. In India, state utilities have in the past experienced heavy losses and have not had the resources to absorb extra costs and have been unable to pass-on fuel cost increases without the regulator's consent;

- Competition risk from state owned generating companies with low target returns. Actual generation tariffs may be lower than expected due to competition from state owned utilities; and

- Regulatory and/or political risk. Competition is designed to achieve lower generation tariffs to benefit the general public. Under this regulated scenario, if merchant power plants are able to achieve higher returns for an extended period of time, regulators may then seek ways to reduce generation tariffs, either by cost-based bidding, price caps, or state-owned utilities bidding irrationally. Further, on December 30, 2008 the Government of Karnataka has issued an order whereby in any case of severe shortage of power in the state of Karnataka, the Government may require that all power generated in the state be sold only within the State of Karnataka. Further, the power can be sold only to the Government and the cost at which the power is sold may be decided by the Government. The Government has imposed this order on our Vijayanagar plant from December 2008 to May 2009. The order of the Government of Karnataka is currently under challenge in the High Court of Karnataka. There is no assurance that the High Court of Karnataka will issue a judgment against the State Government or that the order will not be enforced against us again in the future.

9. ***Land in connection with the RWPL mines project has not been transferred to our joint venture and the costs of acquisition for the land may be substantially higher than we originally expected.***

The RWPL project requires a large parcel of land in connection with the Jalipa and Kapurdi mines to be transferred by the Government of Rajasthan to our joint venture, BLMCL. This land still needs to be acquired and transferred.

The approved cost of land for the Kapurdi mine was Rs. 342.08 million by RERC however, the Land Acquisition Officer ("LAO"), RSMML issued an order dated September 14, 2009 increasing the total cost of the land acquisition for the Kapurdi mine to Rs. 2,675.44 million. The land acquisition for Jalipa land is at the initial stages. We expect the cost of acquisition of the land at Jalipa to exceed the amount approved by the RERC. The actual acquisition cost of lands for both the Kapurdi and Jalipa mines cannot be ascertained until the land acquisition process is complete and it is possible that the actual acquisition cost may be higher than these estimated amounts. Based on the RERC Order approving project cost, Industrial Development Finance Corporation has appraised the project at a debt to equity ratio of 70:30 and has sanctioned debt of Rs. 3,270 million. If the actual acquisition costs of the land for the mines are significantly greater than the original land acquisition amount approved by RERC, our overall cost for this project will correspondingly increase and may have an adverse effect on our cash flows and results of operations. Our ability to fund any such increase in acquisition costs is subject to risks. See " ─ 40. 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".

10. Some of our Group Companies have incurred losses in the last year.

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

Loss-making Group Companies:

S. No.	Name of the company	(Rs. in Million)
1.	Renuka Financial Services Limited	(9.57)
2.	Manjula Finances Limited	(13.22)
3.	Goswamis Credits and Investments Limited	(17.21)
4.	Rohit Tower Building Limited	(0.88)
5.	JSW Steel (Netherlands) B.V.	(783.60)
6.	JSW Steel Holding (USA) Inc.	(396.10)
7.	JSW Steel (USA) Inc.	(2,276.50)
8.	JSW Steel (UK) Limited	(4.30)
9.	Argent Independent Steel (Holdings) Limited	(0.12)
10.	JSW Steel Service Centre (UK) Limited	(358.90)
11.	Inversiones Eurosh Limitada	(31.90)
12.	Santa Fe Mining	(37.10)
13.	Santa Fe Purto SA	(0.73)
14.	JSW Natural Resources Limited	(1.00)
15.	JSW Natural Resources Mozambique Lda	(59.10)
16.	JSW Bengal Steel Limited	(17.68)
17.	Barbil Beneficiation Company Limited	(0.03)
18.	JSW Jharkhand Steel Limited	(3.13)
19.	JSW Steel Processing Centres Limited	(72.11)
20.	JSW Building Systems Limited	(1.20)
21.	Argil Properties Private Limited	(0.24)
22.	Bir Plantations Private Limited	(0.08)
23.	OPJ Investments and Holdings Limited	(0.01)
24.	Jindal Mansarover Investments Private Limited	(0.01)
25.	Sun Fintrade Private Limited	(0.01)
26.	Stainless Finance and Investments Private Limited	(0.01)
27.	Hisar Fincap Private Limited	(0.01)
28.	Jindal South West Finance Investments Private Limited	(0.01)
29.	Vrindavan Fintrade Limited	(0.01)
30.	Nalwa Fincap Limited	(0.01)
31.	Jindal Synergy Investments Limited	(0.01)
32.	Salasar Finvest Limited	(0.01)
33.	Nalwa Financial Services Limited	(0.004)
34.	Supreme Metals Limited	(0.003)[#]
35.	Banabridge Holdings Limited	(0.17)
36.	Portview Investments Limited	(0.49)
37.	IUP Jindal Metals and Alloys Limited	(103.68)
38.	Jindal SAW USA LLC	(246.00)
39.	Jindal ITF Limited	(3.79)
40.	Jindal Intellicom Private Limited	(15.71)
41.	Jindal Urban Infrastructure Limited	(1.54)
42.	Jindal Shipyards Limited	(0.64)
43.	Jindal Waterways Limited	(149.94)
44.	Jindal Infralogistics Limited	(0.02)
45.	Jindal ESIPL CETP Limited	(0.11)
46.	Nalwa Chrome Private Limited	(0.03)
47.	Maharashtra Sponge Iron Limited	(0.01)

S. No.	Name of the company	(Rs. in Million)
48.	Portfolio Fashions Private Limited	(25.01)
49.	Jindal Coated Steel Private Limited	(0.05)
50.	Musuko Trading Private Limited	(0.14)
51.	Art India Publishing Company Private Limited	(1.86)
52.	JSW Projects Limited	(0.02)
53.	SKJ Investments Limited	(0.01) #
54.	Dorelan Holdings Limited	(0.01) #

#*USD in Million*

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

Our lignite mining joint venture, BLMCL, in which we have a 49% interest for supply of lignite to the RWPL power plant, has been awarded lignite blocks with estimated reserves, that we believe are sufficient to meet the total fuel requirement to generate the contracted capacity over the 30-year term of the power purchase agreement for this power plant. Estimates of lignite reserves by Mineral Exploration Corporation Limited in these mines are subject to probabilistic assumptions. We have a 11% interest in a consortium that has been allotted a coal block from the Utkal A ─ Gopalprasad West mines near Talcher, Orissa which has estimated thermal reserves of 951.68 MT with mineable coal reserves of 673.09 MT over an area of 1,357 hectares of land. These estimates are based on interpretations of geological data obtained from sampling techniques and projected volume of production in the future. Actual reserves and production levels may therefore differ significantly from estimates, particularly estimates made for a 30 year period, and we cannot assure you that there are sufficient reserves to meet our total fuel requirements. If the quantity or quality of our coal or lignite reserves has been overestimated, the joint venture or consortium would deplete their reserves more quickly than anticipated and we may then have to source the required coal or lignite from alternate sources. Prices and supply for coal or lignite from alternate sources may exceed the cost and availability of extracting coal or lignite ourselves, which would cause our costs to increase and consequently adversely affect our financial condition, results of operations and business prospects.

While we have selected our hydroelectric site on the basis of output projections, there can be no assurance that the water flows will be consistent with our projections, or that the water flow required to generate the projected outputs will exist or be sustained after construction of the projects is completed. We cannot assure you 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.

12. *Our power plants require diverse types of fuel to generate electricity and require significant quantities of such fuels. In the future, we may not have secured long-term fuel supply arrangements for our projects and we may not be able to secure long-term fuel arrangements at competitive prices.*

The most critical feedstock required by power plants to generate electricity is fuel. With the exception of one hydroelectric project, all of our projects under construction, implementation or development are planned to be coal-fired or lignite-fired. A key factor in the success of these projects is the ability to source fuel at competitive prices and in sufficient quantities necessary to generate the contracted capacity under power purchase agreements. Fuel linkages to meet all the fuel requirements for our domestic projects in Chhattisgarh (to the extent of 11% interest in the coal block) and Jharkhand are still to be secured and we expect significant competition for captive coal mines for these and other future projects. Also, for our future projects, we cannot assure you that we will always be able to secure long-term fuel arrangements on competitive terms, if at all. Fuel requirements 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 fuel 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. We are also dependent on imported coal for fuel supply and hence any fluctuations in fuel prices or renegotiation will impact us.

Moreover, coal allocations are regulated by the Government of India. We cannot assure you that we will be allocated an adequate quantity of coal at competitive prices to satisfy the necessary fuel supplies for these power plants or that we will be able to obtain the necessary additional fuel supplies from other sources on competitive terms.

13. ***Our thermal power plants generally rely on a small number of fuel suppliers with limited track records and who are located in Indonesia and Mozambique where enforcement of our rights under fuel supply agreements may be difficult. If fuel suppliers fail to perform their obligations, our financial condition and results of operation could be adversely affected.***

With the exception of the RWPL power project, the West Bengal power project, the Kutehr power project and the Chhattisgarh power project (to the extent of 11% interest in the coal block), we currently do not have any captive fuel sources for our thermal power projects. Rather, these projects depend on long-term fuel supply arrangements with only two fuel suppliers, at most. These suppliers have a limited history of mining, unknown experience in delivering coal in the large volumes required for our projects, nor a track record of honouring commitments. Thus, our power plant operations currently are, and will continue to be, vulnerable to disruptions due to weather, or labour relations and delivery of fuel, including shipping and transportation delays in the case of imported fuel, delays due to difficulties enforcing our rights under the fuel supply agreements in countries such as Indonesia or Mozambique. If a fuel supplier fails, or is unable to deliver fuel as scheduled or contracted for, or if the fuel supply to one or more power plants is otherwise disrupted, 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. As a result, disruption could materially disrupt the normal operations of the thermal power plants and could have an adverse effect on our financial condition, results of operations, and business prospects. In addition, a recent news article suggests that the Government of Indonesia is considering imposing a cap of 150 million tons per year. In the event that such a cap is imposed, the price of coal and the quantity of coal we are able to import from Indonesia may be affected. There can be no assurance that such coal will be available to us on commercially acceptable terms, or at all.

14. ***Some of our off-take and fuel supply arrangements are long-term in nature which may restrict our operational and financial flexibility.***

Typically, power projects involve agreements that are long-term in nature. In our case these include long-term power purchase agreements and fuel supply agreements with terms ranging from 10 to 30 years. Such long-term arrangements have inherent risks because they restrict our and the relevant project company's operational and financial flexibility. These risks may not necessarily be within our control.

For example, we may not be able to take advantage of market or sector dynamics and business circumstances may materially change over the life of one or more of our power projects. We may not have the ability to modify our agreements with government entities, financial institutions, or customers to reflect these changes or negotiate satisfactory alternate arrangements. Further, being committed to these projects may restrict our ability to implement changes to our business plan. For example, loan agreements for these projects restrict our ability to sell, transfer or divest our interests in the relevant project companies. This limits our business flexibility, exposes us to an increased risk of unforeseen business and industry changes and could have an adverse effect on our financial results and business prospects.

In addition, we will need to enter into other off-take agreements for the balance of the power to be generated by our other power projects. As power plants are currently not permitted to sell electricity directly to retail power consumers, the consumer base for our power projects without PPAs is limited to state utility companies, electricity boards, industrial consumers and licensed power traders. We cannot assure you that we will be able to enter into off-take arrangements on terms that are favourable to us, or at all. 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.

15. ***We have no experience in building and operating hydro projects which may affect our ability to effectively manage and operate our hydro projects and adversely affect our results of operations and financial condition.***

The Company and its Promoters have no experience in building and operating a hydroelectric power plant. Furthermore, we have no experience operating a peaking facility which has different power scheduling requirements, and operating and maintenance practices vis-à-vis the base load facilities of all our other power projects. Accordingly any inability to effectively manage and operate this power plant could adversely affect our results of operations and financial conditions.

16. ***We do not have permission to develop additional two units at RWPL of 135 MW each and if we are not given approval to develop these projects, our results of operation and financial conditions may be adversely affected.***

In relation to RWPL Phase II, the bidding process for the RWPL project, award of the project, the implementation agreement, the mining plan and the RERC order all provide for a 1,000 MW project. We propose to establish additional units at RWPL of 135 MW each. The establishment of two additional units of 135 MW each would result in a change in the plant and project specifications, and there would be a change in the "Project" as contemplated in the Implementation Agreement for this project, and the other provisions. If this is implemented, this would result in the Project land being used for the new units and the mines being used for supply of fuel to the new units as well. Any such change would require the prior approval of the Government of Rajasthan.

Presently, we do not intend to use lignite as fuel for this project, however in the event we are not able to source alternate fuel such as coal, we would also require additional approval in this regard.

Also, we do not intend to set up a SPV to establish this project. However, if we do, then we require approval from RERC for capital cost/tariff determination. Also, if the new SPV is granted access to the RWPL Phase II's site and mines for the purposes of the additional capacity, there could be legal challenges to such proposed use. Additionally, consents from the existing lenders to RWPL for access to land have to be obtained, as well as, security to the fresh set of lenders to a SPV would also have to be arranged.

In the event, we are not given approval to develop these projects, our results of operation and financial conditions will be affected.

17. ***Delays in the acquisition of land may adversely affect the timely performance of our obligations under implementation agreements, power purchase agreements, and financing agreements.***

A key condition precedent under implementation agreements and power purchase agreements for new projects is the acquisition or lease of, or securing right of way over, tracts of land for a project site. While we have acquired land for certain projects, we are still acquiring or leasing land required for others. Also, we do not currently own, nor in the future do we expect to own, the land for all of our projects. Although these projects may have long-term leases, there is a risk these leases may not be renewed or could be terminated early in the event of a default.

Even when the Government of India and/or state governments are required to facilitate the acquisition or lease of, or secure rights of way over, tracts of land under implementation agreements or power purchase agreements, 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. If we are unable to complete the foregoing in a timely manner, this may delay financial closure, delay locking-in interest rates, and cause construction delays. A delay in achieving financial closure could in turn be a breach and an event of default under implementation agreements or power purchase agreements leading to possible disputes with concerned parties.

18. ***We depend on various contractors to construct and develop our projects, some of whom supply sophisticated and complex machinery to us. We may face execution risks relating to the quality of the services, equipment and supplies provided by contractors and may no be able to recover from a contractor or suppliers the full amount owed to us.***

As we are the project manager of most of our projects, 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 in an 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 or to the specifications and standards that have been set in the contracts with them;

- there is a scarcity of contractors, suppliers and vendors. Some foreign vendors may have limited track records in India;

- 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 forecast 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;

- contractors may not be able to obtain adequate working capital or other financing on favourable terms as and when required to complete construction and installation;

- contractors 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 materialise;

- we may not be able to pass on certain risks to our contractors such as unforeseen site and geological conditions; and

- 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.

Even when we retain an EPC contractor for construction of a power project, we will still indirectly face these execution risks.

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.

19. Significant increases in prices or shortages in the availability of equipment could increase our cost of construction, affecting our ability to develop projects in line with our projected budget and we may not be able to complete our projects as scheduled.

Price increases or shortages in 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 construction 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 and import duties.

20. Our success depends on stable and reliable transportation infrastructure. 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 freight contracts and various other forms of transport, such as roadways, railways and pipelines to receive fuel, raw materials and water during construction of our power projects and during their operation. The building of transportation infrastructure entails obtaining approvals, rights of way and development by the Government of India or the state governments and their nominated agencies, or us. As a result, we will not have total 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 freight or other 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.

21. 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.

We intend to develop our own employee base to perform these services in the future, but this will depend on our ability to attract and retain key personnel. Competition for management and industry experts in the industry is intense. Our future performance depends on our ability 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.

22. We may not be able to re-negotiate or receive approval for our existing off-take arrangements or establish new off-take arrangements for our power generation facilities in a timely manner and on terms acceptable to us or at all which could adversely affect our financial condition, results of operations and business prospects.

We currently have 3,650 MW of generating capacity operational, under construction or implementation, and have entered into definitive off-take arrangements with respect to 1,986 MW of capacity. In addition, we have identified additional power generation projects with a proposed combined installation capacity of 7,740 MW. As power plants are currently not permitted to sell electricity directly to retail power customers, the customer base for our power projects without PPAs is limited to state utility companies, electricity boards, or industrial consumers and licensed power traders. It is likely that any decision by these entities regarding the purchase of power from us will depend upon a variety of factors, some of which are beyond our control, including the demand for power, the availability of alternative sources of supply, and the competitiveness of the various potential power producers. The risk that customers will not extend or renew PPAs upon expiration is heightened in the case of short-term PPAs. We may re-negotiate the terms of our PPAs from time to time. However there can be no assurance that we will be able to obtain similar or more favourable terms, tariffs or duration following such re-negotiations. Further, some of our PPAs are subject to approval by the MERC. There can be no assurance that the MERC will approve some or all of the terms of our PPAs. We also propose to participate in various competitive bidding and there is no assurance that we will be the successful bidder in any of these bids. Further, we cannot assure you that we will be able to enter into off-take arrangements to ensure continuous demand for our power, or at all. Failure to enter into or renew off-take arrangements in a timely manner and on terms that are commercially acceptable to us could adversely affect our financial condition, results of operations and business prospects.

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

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. 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.

In the power project business, there are often restrictions 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 will not be able to renegotiate the terms of the PPAs to take advantage of the increased tariffs. In addition, in the event of increase in operational costs, we do not have the ability 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, which means that our margins may fluctuate significantly.

We also enter into short-term PPAs, which create additional variability in our revenues and expose 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 pass on to customers variable costs such as fuel and transportation costs, grid transmission costs, import duties on fuel and capital costs.

Power tariffs in India under long-term PPAs are established either through competitive bidding or regulated by central or state regulators. To the extent tariffs are determined by state regulators, the price at which we sell power may have little or no relationship to the cost to us of supplying this power under our long-term PPAs. Unless a regulator agrees, we may be limited in our ability to pass on to a customer the price increases and other increased costs such as capital and other expenditure required for our power plants. In the case of competitive bids, the expected 10 to 30 year duration of our future long-term PPAs means that the revenue structure will be set over the life of the contract. We will not be able to pass on to a customer the fuel price increases and other increased costs to the extent these agreements do not include escalation clauses. We cannot assure that we will always be able to negotiate escalation clauses on terms that are favourable to us which means that our margins on the sale of power and profitability are largely a function of how effectively we manage costs during the term of those agreements.

In PPAs with government entities, we may also face difficulties in enforcing the payment provisions, as compared to PPAs that we may have with the private entities. 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. Any failure by any government entity to fulfil its obligations to us could have an adverse effect on our cash flows, income, business prospects and results of operations.

24. Imported coal contracts are subject to escalation risks and we may not be able to pass on these costs to our customers which could adversely affect our results of operations.

We have secured firm linkages for imported coal from two suppliers. These contracts are subject to cost escalation clauses, which means that fuel prices will be passed onto us and we may be required to absorb these costs if we are unable to pass on these costs to customers.

25. The terms of our off-take arrangements may not match the terms of our financing arrangements which may have a material adverse impact on our business, financial condition and results of operations.

The duration of our off-take arrangement may not match the duration of the related financing arrangements and we may be exposed to refinancing risk. In the event of an increase in interest rates, our debt service cost may increase at the time of refinancing our loan facilities and other financing arrangements, but our revenues under the relevant PPA may not correspondingly increase. In addition, a PPA may expire or be terminated and we may not have sufficient revenues to meet our debt service obligations or be able to arrange sufficient borrowings to refinance those obligations on commercially acceptable terms, or at all. This mismatch between the financing arrangements and the relevant PPAs may have a material adverse impact on our business, financial condition and results of operations.

26. 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 monthly 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.

27. We may face difficulties enforcing the state government guarantee provided under some of our PPAs and any failure by any government entity to fulfill its obligations to us could have a material adverse effect on our cash flows, income, financial condition, results of operation and business prospects.

We may face difficulties enforcing state government guarantees under our PPAs. State governments may face political pressure not to fulfil obligations under PPAs. Also, faced with disputes and counterclaims between transmission companies, electricity boards and generation companies caused by a variety of factors, certain state governments have in the past refused to perform their obligations under such guarantees until such disputes or counterclaims have been fully resolved, which can take a substantial period of time. Any failure by any government entity to fulfill its obligations to us could have a material adverse effect on our cash flows, income, financial condition, results of operation and business prospects.

28. If power evacuation facilities are not made available by the time our plants are ready to commence operations, our operations could be adversely affected.

Evacuating power from each of our projects to the nearest sub-station will either be our responsibility or the responsibility of a procurer, depending upon the arrangements made for the particular project. Further evacuation from the sub-station to high voltage transmission lines needs to be made available by the relevant authorities. If such transmission lines are not made available by the time our plants are ready to commence operation, or if transmission is disrupted, or transmission capacity is inadequate, or if a region's power transmission infrastructure 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.

29. Our ability to develop a profitable power trading business is dependent on the success of our trading, marketing and risk management policies which may not work as planned planned and which may affect our financial results and business prospects.

We plan to trade a portion of the power from some of our power plants when they achieve commercial operation. Our ability to develop a profitable power business is in large part dependent on the success of our trading and risk management policies and strategies. We have been engaged in power trading activities since 2006 through our subsidiary, JSWPTC, and we have implemented certain trading, marketing and risk management policies. However, our trading and risk management procedures may not always be followed or may not work as planned. As a result, we cannot predict with precision the impact that trading, marketing and risk management decision may have on our financial results and business prospects.

In addition, 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.

30. If the operations of one or more of our power plants is disrupted, it could have a material adverse effect on our financial condition and results of operations.

Accidents or malfunctions involving assets of project companies may have an adverse affect on our financial condition, results of operation and business prospects. 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. 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 often involves the installation of newly developed equipment which has not been extensively field tested. Although in certain cases manufacturers provide warranties and performance guarantees, and may be required to compensate the project 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 to supply necessary services and spare parts to maintain our projects at affordable cost. 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, there may be a material adverse impact on our business, financial condition and results of operations.

31. If we do not operate our facilities efficiently, we may incur increased costs, our revenues may be adversely affected and we may face penalties under the terms of the PPAs that we have entered or will enter into.

Our profitability is largely a function of how effectively we are able to manage our costs during the terms of our contracts and our ability to operate our plants at optimal levels. If we are unable to manage our costs effectively or operate our plants at optimal levels, our business prospects, financial condition and results of operations may be materially and adversely affected.

In addition, the operation of power plants involves many operational risks, including the breakdown or failure of generation equipment or other equipment or processes, labour disputes, fuel interruption, and operating below expected levels. 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 be entitled to reduce the fixed charge capacity payment. In addition, our customers will 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. This may in turn affect our financial condition, results of operations and business prospects.

In addition to the performance requirements specified in our PPA and other agreements, national and state regulatory bodies and other statutory and government mandated authorities may from time to time impose minimum performance standards upon us. Failure to meet these requirements could expose us to the risk of penalties. In addition, we may not receive certain agreed-upon incentives that may adversely affect our revenues.

32. We require certain approvals and licenses in the ordinary course of business, and the failure to obtain or retain them in a timely manner all may adversely affect our operations

We require certain approvals, licenses, registrations and permissions for operating our business, some of which may have expired and for which we may have either made or are in the process of making an application for obtaining the approval or our renewal. For more information, see "Government Approvals" on page 370 of this Red Herring Prospectus. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, our business may be adversely affected. If memoranda of understanding that we have with a number of State Governments are not executed, we will not be able to develop the project. This will impact our ability to recover the entire fixed investments from the tariff approved by the state regulator. Furthermore, our government approvals and licenses are subject to numerous conditions, some of which are onerous and require us to make substantial expenditures. If we fail to comply or a regulator claims we have not complied with these conditions, our business, prospects, financial condition and results of operations may be materially and adversely affected.

33. We do not have a controlling interest in some of our joint ventures and may encounter problems relating to the operation of these joint ventures if the interests of our joint venture partners do not align with our interests.

Our ownership interest and voting rights in our joint ventures ranges between 11.0% and 74.0%. Our joint venture partners may:

- be unable or unwilling to fulfil their obligations, whether of a financial nature or otherwise;
- have economic or business interests or goals that are inconsistent with ours;
- take actions contrary to our instructions or requests or contrary to the joint ventures' policies and objectives;
- fail to provide timely financial and operating data in order to comply with periodic reporting obligations to clients, lenders or as required by law;
- take actions that are not acceptable to regulatory authorities;
- have financial difficulties; or
- have disputes with us.

We may also need the cooperation and consent of joint venture partners in connection with project operations, which may not always be forthcoming and we may not always be successful at managing our relationships with such partners. Any joint venture partner disputes leading to deadlock could cause delays and/or impact our fuel supplies while the matter is being resolved. A change of ownership interests in a joint venture might also cause an event of default under such joint venture's financing arrangements with lenders, which may contain restrictions on changes to the capital structure of a joint venture and restrictions on the divestment of interests by joint venture partners.

The inability of a joint venture partner to continue with a project due to financial and/or legal difficulties could mean that, as a result of our joint and several liabilities, we may be required to make additional investments and/or provide additional services to ensure the performance and delivery of the contracted services.

34. We face significant competition as a result of deregulation in the Indian power sector. 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.

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.

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

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 electricity, 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. We also do not have experience with super-critical and large capacity sub-critical power plants.

36. Demand for power in India may not increase to the same extent as we expect or at all, which may adversely affect our results of operations.

We expect demand for power in India to increase in connection with anticipated increases in India's GDP. However, there can be no assurance that demand for power in India will increase to the extent we expect or at all. In the event that demand for power in India does not increase as we expect, our results of operations and expansion strategy may be materially and adversely affected.

37. The operations of our power plants may be adversely affected by any breakdown of equipment, civil structure and / or transmission systems including grid failures.

The breakdown or failure of generation equipment, civil structure or other equipment can disrupt generation of electricity by any of our power plants and result in performance being below expected levels. In addition, the development or operation of our power projects may be disrupted for reasons that are beyond our control, including explosions, fires, earthquakes and other natural disasters, breakdown, failure or sub-standard performance of equipment, improper installation or operation of equipment, accidents, operational problems, transportation interruptions, other environmental risks, and labour disputes. 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 “supply 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.

Power generation facilities are also subject to mechanical failure and equipment shutdowns. In such situations, undamaged units may be dependent on or interact with damaged sections or units and, accordingly, may also need to be shut down. We rely on sophisticated and complex machinery built by third parties that may be susceptible to malfunction. Any compensation arrangements may not fully compensate the Company for the damage that it may suffer as a result of equipment failures, defects or penalties under its agreements, and may not cover indirect losses such as loss of profits or business interruption. If such events occur, the ability of our power plants to supply electricity may be adversely affected. In the event that any power generation facility is significantly damaged or forced to shut down for a significant period of time, this may have an adverse effect on our business, financial condition and results of operation.

38. Activities in the power generation business can be dangerous and can cause injury to people or property in certain circumstances. This could subject us to significant disruptions in business, legal and regulatory actions, which could adversely affect our business, financial condition and results of operations.

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 hazards associated with the handling of dangerous materials. 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.

39. We are exploring other opportunities in power generation and mining, and if we decide to develop any of these opportunities as new projects, such new projects will require significant capital expenditures and regulatory approvals which we may not be able to obtain in a timely manner or at all.

We are exploring other opportunities in power generation through competitive bidding as well as entering directly into MoUs with the relevant state governments. We are also exploring power generation using non-conventional energy sources and mining opportunities outside of India. See "Our Business ─ VII. Other Opportunities" on page 103 of this Red Herring Prospectus for details of these other opportunities.

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. We may also require various approvals from State Governments or other regulatory bodies, and there can be no assurance that we will be given such approvals in a timely manner, or at all. There can also be no assurance that we will be able to achieve the strategic purpose of developing such opportunities or an acceptable return on our investment.

40. We may acquire land from our a JSW Group company for certain of our projects under development and we may continue to rely on our Promoters and Group companies for certain land required for our projects.

We have entered into and may continue to enter into a number of arrangements with our Promoter and our Group companies for the acquisition or lease of land required for our power projects. For instance, we are proposing to acquire a certain portion of our land and propose to lease land from the JSW Group for our 3,200 MW power plant under development in Ratnagiri. Further, our power projects may depend upon our arrangements with our Promoter and our Group companies with respect to the acquisition of land for certain of our projects. While we believe that all such past arrangements have been conducted on an arm's length basis, we cannot assure you that we could not have achieved more favourable terms had such arrangements been entered into with unrelated parties. There can be no assurance that such arrangements, individually or in the aggregate, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise.

41. We have not yet placed orders for the full requirement of our plant and machinery for our projects under implementation and our joint venture in mining. Any delay in procurement of plant and machinery may delay our implementation schedule which may also lead to increase in prices of these equipments, further affecting our cost, revenue and profitability.

We have not yet placed orders for the full requirement of our plant and machinery for our projects under implementation and our joint venture in mining.

Our estimated total costs for the purchase of plant and machinery for these projects is set forth in the table below:

Name of Project	Estimated Cost (Rs. in million)	Plant & Machinery		Plant & Machinery Ordered as of September 30, 2009	
		Cost (Rs. in million)	%	Cost (Rs. in million)	%
RWPL Phase-II	13,500.00	8,254.90	61.15	4,313.99	52.26
Kutehr	19,152.00	3,439.10	17.96	Nil	Nil
BLMCL	7,105.36	1,080.00	15.20	Nil	Nil

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.

RISKS RELATED TO OUR COMPANY

42. Our inability to obtain statutory and other permits and approvals for our proposed mergers could have a material adverse effect on our business.

We may in the future decide to merge some of our subsidiaries into our Company. In order for such mergers to take effect, certain approvals from the High Court, our shareholders and creditors are required to be obtained. In addition, our shareholders, creditors or the High Court may require that substantive amendments be made to any proposed scheme for merger in order for such merger to become effective. There can be no assurance that these approvals will be obtained or that any such proposed merger may become effective.

Although we believe that any such merger will have a positive impact on our business and results of operations, there is no assurance that any such proposed merger will be able to achieve the strategic purpose of such merger.

43. There is outstanding litigation against us, Directors, Promoters and our Promoter Group and any final judgments against us could have a material adverse effect on our business, results of operations, financial condition and prospects.

There are certain proceedings, including criminal proceedings, pending in various courts and authorities at different levels of adjudication against us, our Subsidiaries, our Directors, our Promoters and our Group Companies. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable, excluding contingent liabilities but including amounts claimed jointly and severally from us and other parties. 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 that could increase expenses and current liabilities.

Our Company

There is one income tax appeal pending before the High Court of Karanataka. The amount involved is Rs. 233.20 million.

There is one writ appeal filed by State of Karnataka before the High Court of Karnataka. There is no monetary claim involved in this case.

There are two notices of demand from the Income Tax Department. The aggregate amount involved is Rs. 47.80 million.

Our Subsidiaries

JSWERL: There is a public interest petition filed challenging the environment clearance granted to the 1,200 MW project executed by JSWERL.

There is an appeal filed before the NEAA, Delhi challenging the environment clearance granted by the MoEF to the 1,200 MW project.

RWPL: There are 5 writ petitions filed challenging the the laying of water pipeline from Mohangarh, Jaisalmer to RWPL's power plants.

There is one writ petition filed challenging the acquisition of land for Jalipa mines in certain villages in Rajasthan.

There are six civil cases filed challenging the acquisition of the land for the power plant, Jalipa and Kapurdi mines.

Our Directors

Mr. Balaji Rao A petition has been filed before the Company Law Board alleging oppression and mismanagement against CMI FPE Limited and Mr. D.J. Balaji Rao in his capacity as a director of CMI FPE Limited.

Our Promoters

SIPL: There are three appeals filed by the Income Tax Department involving Rs. 46.59 million.

JSWIPL: As on March 31, 2009, JSWIPL has incurred an arrear of Rs. 7.79 million on the dividend payable on 8% cumulative optionally convertible preference shares.

Our Group Companies

Group Companies	Nature and Number of Case	Amount involved
JSPL	2 central excise show cause notices	Rs. 1,455.53 million
	16 central excise appeals	Rs. 19.72 million
	2 service tax appeals	Rs. 6.27 million
	2 customs case	Rs. 5.20 million
	20 writ petitions	Rs. 54.56 million
	4 writ appeals	Amount not ascertainable
	3 special leave petitions	Rs. 609.37 million
	4 miscellaneous cases	Rs. 13.51 million
JSWSL	13 service tax show cause notices	Rs. 323.70 million
	7 sales tax notices	Rs. 393.00 million
	1 SEBI related case	Rs. 0.13 million
	27 central excise show cause notices	Rs. 742.10 million
	5 central excise appeal	Rs. 906.70 million
	13 consumer cases	Rs. 0.57 million
	1 writ petition	Rs. 21.74 million
	15 customs show cause notices	Rs. 1,593.90million
	1 customs appeal	Rs. 130.70 million
	1 criminal case	Amount not ascertainable
	3 civil cases	Rs. 86.20 million
	1 writ appeal	Rs. 580 million
JSL	4 customs show cause notices	Rs. 23.90 million
	1 sales tax demand notice	Rs. 4.70 million
	8 service tax show cause notices	Rs. 31.70 million
	10 central excise show cause notice	Rs. 125.10 million
	6 income tax appeals	Rs. 173.39 million
	2 miscellaneous cases	Rs. 560 million
JSLL	15 civil cases	Rs. 76.34 million
	One excise appeal	Rs. 85.71
	4 motor accident claims	Rs. 0.21
	25 excise show cause	Rs. 31.40 million

Group Companies	Nature and Number of Case	Amount involved
	2 miscellaneous cases	Amount not ascertainable

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

For further details of outstanding litigation against us, our Directors, our Promoter and our Group Companies, please see "Outstanding Litigation and other Material Developments" on page 355 of this Red Herring Prospectus.

44. One of our directors, Shailesh Shah, served as the chief strategy officer of Satyam Computer Services Limited ("Satyam"), and media reports indicate that the role of the directors and officers of Satyam will be investigated.

One of our directors, Shailesh Shah, served as the chief strategy officer of Satyam Computer Services Limited from 2004 to 2008. Recent media reports indicate that due to the alleged accounting fraud by Satyam's chairman, the Ministry of Corporate Affairs in India plans to investigate the role of directors and officers of Satyam who resigned in 2008 and 2009 to ascertain their involvement, if any, in the accounting fraud at Satyam. Mr. Shah has advised the Company that he did not participate in any way nor was he aware of the alleged fraud at Satyam. Neither he nor the Company believes any such investigation of Mr. Shah has commenced or is pending but no assurances can be given that such investigation against Mr. Shah will not be initiated, and if initiated, what the outcome will be.

45. 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 and Promoter Group 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. Some of the Group Companies may get involved in businesses similar to ours which could lead to competition between them and conflicts of interest. There is no assurance that the Group Companies will not provide competitive services or expand their presence in the business in which we are already present, or the Promoters will not invest in companies in direct competition with us. The Promoters or the Promoter Group is not obligated to provide any business opportunities identified by them to us. If the Group Companies enter into or expand their presence in businesses, or the Promoters invest in another company, in competition with us, we will lose the substantial financial support provided to us by the Promoters and the Promoter Group, which would materially and adversely affect our business, financial condition and results of operations. Additionally, many of our Directors and senior management also serve as directors of, or are employed by, our affiliated companies. 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.

46. The interests of our controlling shareholders and our affiliates 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 members of the JSW Group or O.P. Jindal group. For example, we have entered into a number of MoUs with JSW Steel and other members of the JSW group and may face conflicts in negotiating definitive agreements between our affiliates and us. For a description of these MoUs, see "Description of Certain Key Contracts" on page 109 of this Red Herring Prospectus. Conflicts will also arise in the allocation of resources, including key personnel, contractors and intellectual property, between the JSW group and us.

JSW Steel Limited has operating captive power plants. Also, Jindal Stainless Limited and Jindal Saw Limited are in the process of setting up captive power plants which are yet to be commissioned. Jindal Steel & Power Limited besides having a captive power plant is also into power generation and sells excess power to various state electricity boards. There is no assurance that in relation to these and other companies in the O.P. Jindal Group that they will not compete with us in relation to sale of any excess power they generate at their plants.

We expect to have a substantial amount of ongoing transactions with other affiliated companies. The table below sets forth the details of our transactions with our Promoters and other Group Companies, on the basis of our consolidated financial statements:

(Rs. in million)

Nature of Transactions		As at September 30		As at March 31			
		2009	**2008**	**2009**	**2008**	**2007**	**2006**
A. Transactions :							
1	**Sale of power to**						
	JSW Steel Limited	2528.20	203.30	923.87	146.29	-	168.30
2	**Service Received from (Excluding Service Tax)**						
	JSW Steel Limited (Coal Handling)	16.70	-	-	-	-	-
	Sun Investment Private Limited	-	-	-	-	67.34	66.12
	JSoft Solutions Limited	22.70	10.00	17.79	28.67	-	-
	Jindal Technologies & Management Services Pvt Ltd	0.96	-	0.72	-	-	-
3	**Service Rendered to(Excluding Service Tax)**						
	JSW Steel Limited	88.90	85.50	178.69	170.50	130.69	110.32
	Toshiba JSW Turbine & Generator Pvt Ltd.	63.10	-	-	-	-	-
4	**Trade Advance Received from**						
	JSW Steel Limited	1,100.00	-	300.00	1000.00	-	-
5	**Purchase of Fuel / Goods**						
	JSW Steel Limited	4,141.72	3100.80	6942.28	3941.90	2658.30	2582.72
	JSW Cement Limited	-	-	1.97	-	-	-
6	**Amount paid / payable for Acquisition of Office/Residential Properties**						
	Vinamra Properties Private Limited	-	-	-	35.10	-	-
7	**Advance paid for Acquisition of Office/Residential Properties**						
	Windsor Residency Private Limited (Advance)	45.00	-	-	750.00	-	-
8	**Lease Deposit Paid / (Received)**						
	JSW Steel Limited	-	-	-	30.70	-	-
	JSW Jaigarh Port Limited			(3.06)	-	-	-
9	**Purchase of Free Hold Land**						
	JSW Steel Limited	0.86	-	9.87	22.80	-	-
10	**Rent Paid**						
	JSW Steel Limited	-	6.30	6.48	4.16	-	-
11	**Expenses Incurred**						
	JSW Realty & Infrastructure Private Limited	-	-	0.61	-	-	-
12	**Dividend Received**						
	JSW Steel Limited	7.00	11.90	11.90	-	-	-
13	**Reimbursement of :**						
	(i) Grid support charges from JSWSL paid to KPTCL	13.00	12.60	25.15	23.96	22.82	21.73
14	**Advance paid against Equity Capital**						

	Nature of Transactions	As at September 30		As at March 31			
		2009	2008	2009	2008	2007	2006
	JSW Steel Limited	-	-	-	90.00	-	-
	Toshiba JSW Turbine & Generator Pvt Ltd.	-	-	220.00	-	-	-
	MJSJ Coal Limited	38.50	-	5.50	-	-	-
15	**Investment in Equity Shares of**						
	JSW Steel Limited	-	-	-	-	-	112.51
	JSW Infrastructure & Logistics Limited	-	-	-	-	306.00	-
	JSW Investments Private Limited (Purchase of JSW Steel Ltd Shares)	70.00	-	1033.54	-	-	-
	Sun Investments Private Limited (Purchase of JSW Steel Ltd Shares)	-	-	202.83	-	-	-
	Gagan Trading Company Limited (Purchase of JSW Steel Ltd Shares)	-	-	13.86	-	-	-
	Toshiba JSW Turbine & Generator Pvt Ltd.	220.00	-	220.00	-	-	-
	MJSJ Coal Limited	-	-	0.11	-	-	-
16	**Sale of Investment of**						
	JSW Investments Private Limited	-	-	-	200.00	106.00	-
17	**Subordinated Loan to**						
	Barmer Lignite Mining Company Limited	2,235.00	492.00	253.98	132.49	-	-
18	**Managerial Remuneration**						
	Mr. Sajjan Jindal	25.37	-	9.76	-	-	-
	Mr. S.S.Rao	7.98	6.10	11.76	10.81	-	-
	Mr.K.T.Krishna Deshika	-	-	-	5.09	4.45	2.97
	Mr. Raaj Kumar	-	-	-	1.06	6.96	4.41
	Mr. Satish Jindal	-	-	-	2.87	1.78	-
B. Balance at the year end							
1	**Trade Payables / (Receivable)**						
	JSW Steel Limited	(2122.20)	(907.20)	(1,081.74)	(468.75)	(221.55)	(120.35)
	JSW Steel Limited	2962.77	1397.32	1090.80	424.85	427.23	240.53
	Jindal Technologies & Management Services Pvt Ltd	0.10	-	0.12	-	-	-
	JSW Cements Limited	-	-	0.57	-	-	-
	JSW Jaigarh Port Limited	-	-	3.06	-	-	-
	JSW Realty & Infrastructure Private Limited	-	-	(0.61)	-	-	-
	JSW Energy Investment Pvt Ltd	(10.30)	(10.30)	(10.30)	-	-	-
	MJSJ Coal Limited	(0.60)	-	-	-	-	-
	South West Infrastructure Private Limited	0.05	0.05	0.05	-	-	-
2	**Lease Deposit with**						
	JSW Steel Limited	64.88	64.88	64.88	101.20	64.88	64.88
3	**Lease Deposit from**						
	JSW Steel Limited	1.60	1.60	1.60	-	-	-
4	**Trade Advance Payable / (Receivable)**						
	JSW Steel Limited	(200.00)	(200.00)	(200.00)	(200.00)	-	-
5	**Advance Received against Equity Share Capital**						
	JSW Steel Limited	-	-	-	90.00	-	-
	Toshiba JSW Turbine & Generator Pvt Ltd.	-	-	220.00	-	-	-
	MJSJ Coal Limited	44.00	-	5.50	-	-	-
6	**Payable for acquisition of Free Hold Land from**						
	JSW Steel Limited	22.80	22.80	22.80	22.80	-	-
7	**Advance paid for Acquisition of Office/Residential Properties**						

	Nature of Transactions	As at September 30		As at March 31			
		2009	2008	2009	2008	2007	2006
	Windsor Residency Private Limited	795.00	750.00	750.00	750.00	-	-
8	**Payable for acquisition of Office / Residential Properties from**						
	Vinamra Properties Private Limited	-	-	-	5.15	-	-
9	**Investment in Equity Shares**						
	JSW Steel Limited	1517.02	196.80	1447.02	196.80	3258.08	3258.08
	JSW Infrastructure & Logistics Limited	-		-	-	200.00	-
	JSW Energy Overseas Limited Rs. 13,922	0.01	0.01	0.01	0.01	-	-
	JSW Turbine & Generator Pvt Ltd.	440.00	-	220.00	-	-	-
	MJSJ Coal Limited	0.10	-	0.11	-	-	-
10	**Subordinated Loan to**						
	Barmer Lignite Mining Company Limited	2,992.78	751.78	386.47	132.49	-	-
11	**Security & Collateral Provided for**						
	JSW Steel Limited	-	-	-	-	-	1303.55
12	**Security & Collateral Provided by**						
	JSW Steel Limited	-	-	-	-	-	1445.00

Notes:

(i) No amounts in respect of related parties have been written off/written back during the year/ period, nor has any provision has been made for doubtful debts / receivables.

(ii) Related party transactions have been identified by the management and relied upon by the Auditors.

47. 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. 99,795.00 million in debt to finance our Identified Projects, which has already been tied up. 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 and the project development may face cost overruns. For example, we have applied for 'mega-power' status for our 1,200 MW power plant under construction, whereby we will receive excise and customs duty exemptions. If we do not obtain 'mega-power' status, we would incur additional costs and our current estimated costs of Rs. 45,000 million will not be sufficient and we will need to seek additional funding. 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 have so far been able to arrange for debt financing for our projects under construction and implementation. We cannot assure you that the current tightening of credit in the financial markets and other factors will permit future financing of projects on commercially acceptable terms, if at all. 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. Under the current difficult conditions in the global capital markets, the availability of debt financing generally has decreased and has become significantly more expensive. In addition, 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.

Our ability to finance our capital expenditure plans is subject to a number of risks, contingencies and other factors, some of which are beyond our control, including tariff regulations, borrowing or lending restrictions, if any, imposed by the RBI, the amount of dividends that can be paid to our shareholders and general economic and capital market conditions. Furthermore, current adverse developments in the

Indian and international credit markets may significantly increase our debt service costs and the overall cost of our funds. We cannot assure you that we will be able to raise adequate capital in a timely manner and on acceptable terms, if at all. Our failure to obtain adequate financing on acceptable terms may result in a delay, scaling back, or abandonment of future projects and/or have a material adverse impact on the implementation of existing projects, project costs and schedules.

For most of our projects, we intend to finance approximately 25% of the cost with equity and approximately 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.

48. We have substantial indebtedness and may not be able to meet our obligations under debt financing agreements which may have an adverse effect on our cash flows, business and results of operations.

As of September 30, 2009 we had an indebtedness of Rs. 76,762.63 million. 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. We cannot assure you that we will generate sufficient cash to enable us to service existing or proposed borrowings, comply with covenants or fund other liquidity needs.

Incurring significant indebtedness may:

- Increase our vulnerability to general adverse economic, industry and competitive conditions;
- Limit our flexibility in planning for, or reacting to, changes in our business and industry; and
- Limit our ability to borrow additional funds for our power projects.

Further, our financing arrangements may contain restrictive covenants whereby 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. We cannot assure investors that we will receive such approvals in a timely manner or at all. Such financing agreements may also require us to maintain certain financial ratios. In the event of any breach of any covenant contained in theses financing agreements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Furthermore, financing arrangements may also contain cross default positions which could automatically trigger defaults under other financing arrangements. For more information regarding our indebtedness, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Indebtedness” beginning on pages 309 and 336, respectively, of this Red Herring Prospectus.

In the event that we fail to meet our debt servicing obligations or financial covenants under our financing documents, the relevant lenders could declare us to be in default, accelerate the maturity of our obligations or takeover our financed power project. We cannot assure investors that in the event of any such acceleration we will have sufficient resources to repay these borrowings. Failure to meet obligations under debt financing agreements may have an adverse effect on our cash flows, business and results of operations.

The duration of our off-take arrangements may not match the duration of related financing arrangements and we may be exposed to refinancing risk. In the event of an increase in interest rates, our debt servicing costs may increase at the time of refinancing our loan facilities and other financing arrangements, but our revenues under the relevant PPA may not correspondingly increase. This mismatch between the duration of our financing arrangements and the relevant PPAs may have a material adverse effect on our business, financial condition and results of operations.

49. We are subject to restrictive covenants in certain debt facilities provided to us by our lenders and there can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take actions to grow our business.

There are certain restrictive covenants in the agreements that we and the project companies have entered into with lenders. These restrictive covenants require us or the relevant project company subsidiary to obtain the prior written consent of lenders for, among other things, changes in the our capital structure, issue of new shares, declaration of dividend, disposing of a substantial portion of our assets and developing new projects. There can be no assurance that we will be able to comply with these financial or other covenants or that it will be able to obtain the consents necessary to take the actions it believes are necessary to operate and grow our business or which are in the interest of our shareholders. For details of the restrictive covenants in our debt facilities, see "Financial Indebtedness" beginning on page 336 of this Red Herring Prospectus.

50. We have pledged or have agreed to pledge and will continue to pledge a significant portion of our equity interest in our Subsidiaries and Associates in favour of lenders, who may exercise their rights under the respective pledge agreements in the event of a default.

We have agreed to pledge between 26% and 51.0% of the equity interest we hold in our project company subsidiaries and associates in favour of lenders as security for the loans provided to these subsidiaries and associated. If these subsidiaries and associates default in their obligations under the relevant financing agreements, the lenders may exercise their rights under such agreements, have the equity interests transferred to their names and take management control over these companies. If this happens, we will lose the value of any such interest in such subsidiaries and associates. For further details, see the section "History and Certain Corporate Matters" beginning on page 142 of this Red Herring Prospectus.

51. 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, which, to the extent they materialise, include:

- political, regulatory and legal actions that may adversely affect a project's viability;
- changes in government and regulatory policies;
- delays in construction and operation of projects;
- adverse changes in market demand or prices for the products or services that the project, when completed, is expected to provide;
- shortages of or adverse price movement for construction materials;
- design and engineering defects;
- breakdown, failure or substandard performance of equipment;
- improper installation or operation of equipment;
- labour disturbances;
- terrorism and acts of war;
- inclement weather and natural disasters;
- pollution and other environmental hazards;
- industrial accidents; and
- adverse developments in the overall economic environment in India.

Not all of the above risks 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 listed above, or that the terms of the 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 for which we did not obtain or maintain insurance, or 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. The occurrence of any of these risks may also adversely affect our reputation.

In addition, we do not have business interruption insurance policies (other than for any loss caused by fire and equipment failure). 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.

52. 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.

53. We hold investments in our power plants through subsidiaries and in the future, our financial results will increasingly depend on the performance of these subsidiaries, in particular the payment of dividends, for our revenue.

We develop our power generation projects through our subsidiaries that are wholly or majority owned by us. The ability of these Subsidiaries to make dividend payments is constrained by corporate laws and regulations and our dividend policy.

Loans made to subsidiaries contain important exceptions and qualifications with respect to the payment of dividends. For example, before any dividend can be paid, a debt service coverage ratio test must be satisfied and debt service reserve accounts and other accounts must be sufficiently funded.

In addition, in the event of a bankruptcy, liquidation or reorganisation of such a subsidiary or joint venture, we only have a shareholder’s claim against the assets of such subsidiary or joint venture which is subordinate to the claims of lenders and other creditors. Under these loans, the position of the lenders is further protected with a floating charge over all assets including dividend payments by, and all cash of, these subsidiaries and joint venture. This effectively, means that the lenders have a first priority lien over any distribution made from assets upon the occurrence of an event of default. 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 new projects, financial condition and results of operations.

54. ***Contingent liabilities could adversely affect our financial condition.***

As of September 30, 2009 we had contingent liabilities in the following amounts, as disclosed in our restated consolidated financial statements:

Particulars	(Rs. in million)
Bank Guarantees Outstanding	2,719.70
Income Tax Matters	62.30

The above amounts do not include various performance guarantees issued by us to our joint ventures and where the joint venture partners have not issued such guarantees.

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

55. ***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. The Company is seeking to finance growth in part, with debt, which means that any increase in interest expense may have an adverse effect on the Company's financial results and business prospects. The Company's current debt facilities carry interest at fixed rates with the provision for periodic reset of interest rates as well as variable rates. As of September 30, 2009, Rs. 18,861.51 million, or 24.57% of our total debt on a consolidated bases was subject to variable rates.

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

Although the Company may decide to engage in interest rate hedging transactions or exercise the right available to the Company to terminate the current debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that it will be able to do so on commercially reasonable terms, that its counterparties will perform their obligations, or that these agreements, if entered into, will protect it fully against interest rate risk.

56. ***We rely on the JSW Group which is part of O.P. Jindal Group for certain key aspects of our business as well as ancillary support services. Any failure by the JSW Group to provide these services on commercially reasonable terms and any failure by us to make alternative arrangements could have a material adverse impact on our business, financial condition and results of operations.***

The Company is a part of the JSW Group which is in turn a part of the O.P. Jindal Group. We have entered into agreements with JSW Steel for, among other things, fuel, power evacuation and off-take arrangements. We have also entered into a number of understandings and arrangements with affiliates of the JSW Group for the provision of other services. JSWSL, supplies us with fuel, and water in order to meet our requirements. Separately, we provide power to JSWSL and JSWCL. All these arrangements are carried out on an arms' length basis. We may in the future enter into additional arrangements with other affiliates of the JSW Group. For more details on these agreements, see "Description of Key Material Contracts" on page 109 of this Red Herring Prospectus.

We cannot assure you that our affiliates will enter into definitive agreements on the basis of the non-binding arrangements or if they do, that those agreements will be on terms commercially acceptable to us. Since affiliates of the O.P Jindal Group or JSW Group will have multiple roles with respect to us, we may be limited in our ability to negotiate agreements with our affiliates to obtain the most favourable terms for us. If they do or have entered into definitive agreements with us, they may terminate their arrangements with us and 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.

In addition, our own development plans for some of our projects depend on the success of our affiliates. If our affiliates are not successful in maintaining and expanding their own businesses, it could cause us to delay, cancel or downsize certain projects under development and otherwise may have a material adverse affect on our financial condition, results of operations and business prospects.

57. We do not own the "JSW" trademark, and our ability to use the trademark, name and logo may be impaired.

The "JSW" trademark, name and logo do not belong to us. The "JSW" trademark belongs to Jindal Investments Private Limited ("JIPL"), one of our Promoters and we make use of it through an informal arrangement with JIPL as a member of the JSW Group. We have not made, nor are we required to make any payments to JIPL for use of the "JSW" trademark. If the JSW Group withdraws, refuses to renew or terminates this arrangement, we will not be able to make use of the "JSW" trademark, name or logo in connection with our business and consequently, we may be unable to capitalize on the brand recognition associated with the JSW Group. Accordingly, we may be required to invest significant resources in developing a new brand.

For further details, see "Our Business — Intellectual Property" on page 107 of this Red Herring Prospectus.

58. 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. As our Company grows, we must continue to hire, train, supervise and manage new employees. We may not be able to hire, train, supervise and manage sufficient accountants and other personnel or develop financial, internal accounting and managerial controls, reporting systems and procedures to manage our expansion effectively.

59. 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 expect to employ many employees once we commence operations at our power projects. 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.

We enter into contracts with independent contractors to complete specified assignments and these contractors are required to source the labour necessary to complete such assignments. Although we do not engage these labourers directly, it is possible under Indian law that we may be held responsible for wage payments to labourers engaged by contractors should the contractors default on wage payments. Any requirement to fund such payments may adversely affect our business, financial condition and results of operations.

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 such order from a court or any other regulatory authority may adversely affect our business and results of our operations.

60. We may not be selected for the projects for which we have submitted a bid or our bids, or those projects that we will bid upon in the future, if selected, may not be finalised within the expected time frame or on expected terms.

We have submitted bids, and in the future will bid, for various power projects. There might be delays in the bid selection process owing to a variety of reasons which may be outside our control, and our bids, may not be selected or, if selected, may not be finalised within the expected time frame or on expected terms or at all.

Further, in selecting developers for major projects, clients generally limit the tender to contractors they have pre-qualified based on several criteria including experience, technological capacity and performance, reputation for quality, safety record, financial strength and bonding capacity and size of previous contracts in similar projects, although the price competitiveness of the bid is the most important selection criterion. Pre-qualification is key to our winning such major projects. In order to bid for larger projects, we may need to enter into memoranda of understanding and joint venture agreements with partner companies to meet capital adequacy, technical and other requirements that may be required to qualify for a bid. However, there is no assurance that we will be successful in forging an alliance with partner companies to meet such requirements.

61. We may not be able to acquire new power generation projects or existing power plants, or realize the anticipated benefits of such acquisitions.

In the future, we may acquire additional power generation development projects, existing power plants or related businesses 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.

62. Our costs of compliance with environmental laws are expected to be significant, and the failure to comply with new environmental laws could adversely affect our results of operations.

Our projects are subject to national and state 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 our operations. 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. The commencement of environmental actions against us or the imposition of any penalties or fines on us as a result thereof may have a material adverse effect on our business, prospects 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 utilisation 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 utilisation, may add to our capital expenditures and operating expenses.

63. Meteorological changes and changes in water flow may affect our prospective hydroelectric generation capacity, thus affecting our results of operations and financial condition.

The amount of electricity generated by hydroelectric power systems is dependent upon available water flow. Accordingly, revenues and cash flows will be significantly affected by low and high water flows in the watersheds. Water flow varies each year, depending on factors such as rainfall, snowfall and rate of snowmelt. Our projects may be subject to substantial variations in water flow or other climatic conditions.

Hydroelectric power generation depends on the level of water in different periods of the year. 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. This is particularly the case during the winter season, when the water flow for our prospective hydroelectric projects in the north can be obstructed or reduced because of freezing.

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. 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, including associated efficiency incentive payments.

Accordingly, 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 electrical energy, thus affecting our results of operations and financial condition.

64. We have issued Equity Shares during the last one year at a price that may be lower than the Issue Price.

In the last one year, we have issued Equity Shares at a price that may be lower than the Issue Price.

Date of allotment	Name of allotee, number of Equity Shares and nature of Allotment	Face Value (Rs.)	Issue Price (Rs.)
December 17, 2008	Allotment of 31,816,044 Equity Shares to 1. JSW Steel Limited 31,192,200 2. JSW Cement Limited 623,844 Pursuant to amalgamation of JSWPTL & JSWEVL	10	-
July 28, 2009	Bonus Issue of 819,856,914 Equity Shares at the ratio of 3 Equity Shares for every 2 equity shares	10	-
November 16, 2009	Allotment of 6,300,000 Equity Shares to Mr. Manoj Mohta and Mr. R.G. Ramachandran as the Trustees of JSW Group Welfare Trust*	10	100

**Allotment pursuant to pre-IPO placement*

65. 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 materially and adversely affected.

In accordance with and subject to the condition specified in Section 80 IA of the I.T. Act, 1961, we 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, 2011. 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 materially and adversely affected.

RISKS RELATING TO THIS ISSUE AND INVESTMENT IN OUR EQUITY SHARES

66. We filed a draft red herring prospectus on January 21, 2008 with SEBI and due to volatile market conditions we withdrew the draft red herring prospectus.

We filed a draft red herring prospectus on January 21, 2008 with SEBI in relation to a proposed initial public offering of our Equity Shares. However, pursuant to the revised business plans of our Company and unfavourable market conditions, we decided not to proceed with the proposed issue and on July 25, 2008, we withdrew the draft red herring prospectus. There is no assurance that, in the event of unfavourable market conditions, the Company, in consultation with the BRLMs, will proceed with the Issue and the Allotment of Equity Shares.

67. 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 liberalisation 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.

68. 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 September 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 future sales of our Equity Shares in the public market could cause our share price to fall.

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.

69. There is no guarantee 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.

70. 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.

71. Our management will have flexibility in applying the Net Proceeds received from the Issue and in the event of any shortfall of funds for any of the Identified Projects, our management may decide to reallocate the Net Proceeds from other projects within the Identified Projects to the projects where such shortfall has arisen.

We intend to use the Net Proceeds that we receive from the Issue for the purposes described in "Objects of the Issue" on page 39 of this Red Herring Prospectus. 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 utilisation 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.

72. 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.

73. 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.

74. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.

We and our Subsidiaries develop and operate power generation and power transmission projects. Our future ability to pay dividends will also depend on the earnings, financial condition and capital requirements of our Subsidiaries and the dividends they distribute to us. 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.

75. 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 the 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 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 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 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 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 1 April 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 its 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.

76. We recognize revenue based on 'Percentage Completion Method' of accounting on the basis of our management's estimates of the project cost.

We recognize revenue generated from our projects on the basis of 'Percentage of Completion Method' of accounting. Under this method, revenues from sales are recognized as a percentage of the actual project cost incurred against the total estimated cost of the project. Although this method of accounting is widely used in the industry, we cannot assure you that these estimates will match the actual costs incurred with respect to the projects. The effect of such changes to estimates, is recognized in the financial statements of the period in which such changes are determined. Therefore, our revenue recognition is based on the number of projects that qualify for such revenue recognition, that are under execution during a period. This may lead to significant fluctuations in our revenues in accounting periods. Currently, we follow accounting standards prescribed under applicable laws. In the event of any change in law or Indian GAAP, which results in a change to the method of revenue recognition, the financial results of our operations may be adversely affected.

EXTERNAL RISK FACTORS

Risks Relating to our Industry

77. 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, 2003 provides for complete deregulation of the power sector and envisions a comprehensive change in the current regulatory structure. We cannot envisage the future industry scenario in light of these changes and it 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 the operations and financial performance of the Company. 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.

78. ***Non-compliance with, and changes in, safety, health and environmental laws and regulations may adversely affect our business, financial condition and results of operations.***

Some of 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 businesses. 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.

We believe environmental regulation of industrial activities in India will become more stringent in the future. The scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with certainty. The costs and management time required to comply with these requirements could be significant. The measures we implement in order to comply with these new laws and regulations may not be deemed sufficient by Government entities and our compliance costs may significantly exceed our estimates. If we fail to meet environmental requirements, we may also be subject to administrative, civil and criminal proceedings by Government entities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against us as well as revocation of approvals and permits and orders that could limit or halt our operations. 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.

79. ***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 operations are also adversely affected by difficult working conditions and high temperatures during summer months and during the monsoon season which restricts our ability to carry on construction activities and fully utilise our resources. Further, some of our power consumers may be engaged in 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.

80. ***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.***

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 been experiencing extreme disruption in recent months, 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. The deterioration in the financial markets is widely forecast to herald a recession in many countries, which may lead to significant declines in employment, household wealth, consumer demand and lending and as a result may adversely affect economic growth in India and elsewhere, which may in turn affect our business.

As a result of the current tightening of credit in financial markets, the debt has become significantly more expensive. We may not be able to arrange for debt financing for our capital requirements at all or debt financing which is available to us may not be on commercially acceptable terms, as a result, we may experience serious cash flow problems and the implementation and construction of our projects may be delayed.

Uncertainty and adverse changes in the economy could also increase costs associated with our operational projects as well as our projects under construction, implementation or development 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. We are unable to predict the likely duration and severity of the current disruption in financial markets and adverse economic conditions in the United States and other countries. If these conditions deteriorate further or do not show improvement, we may experience material adverse impact to our business and operating results.

81. 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

82. 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.

83. 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.

84. 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 have entered into certain EPC contracts for our project development, the payments under these contracts are denominated in foreign currencies and secured by a letter of credit. We bear the exchange rate risk for payments made pursuant to the letter of credit until the conversion of liability from foreign currency to Rupees. In addition, our coal supply agreements with PT Sungai Belati Coal and JSW Mozambique, our freight rate contacts with Kawasaki Kisen Kaisha Limited and Oldendorff Carriers Gmbh & Co., and our a service contract with Chengdu Dongsi Power Technology Consultancy Company, are denominated in US dollars. 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. For example, the exchange rate for US$ 1 = Rs. 39.97 as of March 31, 2008 and has depreciated to US$1 = Rs. 50.95 as of March 31, 2009. If we are unable to recover the costs of foreign exchange variations through our tariffs, depreciation of the Rupee against foreign currencies may adversely affect our results of operations and financial condition.

85. A slowdown in economic growth in India or financial instability in Indian financial markets could materially and adversely affect our results of operations and financial condition.

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.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in Asian emerging market countries. 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. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

86. 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, recently inflation has fallen to less than 1.0%. 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.

87. 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 development 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.

88. 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.

89. 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.

90. 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 many 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.

91. 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 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 and morbidity 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:

(a) The net worth of our Company was Rs. 17,475.82 million as of September 30, 2009, as per our restated consolidated financial statements.

(b) The NAV/ book value per Equity Share of Rs. 10 each was Rs. 12.79 and Rs. 9.67 as of September 30, 2009 and September 30, 2008, respectively, as per our restated consolidated financial statements. See "Financial Statements - Annexure VIII B – note (ii)"

(c) The average cost of acquisition of the Equity Shares by our Promoters is as follows:

Mr. Sajjan Jindal - Rs. 0.86 per Equity Share;
Mr. P.R. Jindal - Rs. 2.70 per Equity Share;
Mrs. Sangita Jindal – Rs. 1.68 per Equity Share;
Sun Investments Private Limited – Rs. 2.25 per Equity Share;
JSW Investments Private Limited – Rs. 5.95 per Equity Shares.

(d) This is a public Issue of [●] Equity Shares of Rs. 10 each for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) aggregating up to Rs. 27,000 million. The Issue will constitute [●]% of the post Issue paid-up capital of the Company.

(e) We were originally incorporated as Jindal Tractebel Power Company Limited on March 10, 1994 and we have changed our name twice thereafter to Jindal Thermal Power Company Limited in January 17, 2002 and to our current name, JSW Energy Limited on December 7, 2005. For details of the change in our name, see "History and Certain Corporate Matters" on page 142 of this Red Herring Prospectus.

(f) In accordance with Rule 19 (2)(b) of the SCRR, this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be allocated on a proportionate basis to QIBs, out of which 5% (excluding the 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 all QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. 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% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. The Company may consider participation by Anchor Investors in accordance with applicable SEBI Regulations.

(g) In case of over-subscription in all categories, at least 60% of the Issue shall be available for allocation on a proportionate basis to QIB Bidders, 5% (excluding Anchor Investor Portion) of which shall be available for allocation on a proportionate basis to Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. Furthermore, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

(h) 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 and the Designated Stock Exchange. If at least 60% of the Issue is not allocated to the QIBs or if the Issue is not at least 10% of the post Issue capital then, the entire subscription monies shall be refunded.

(i) For details of the Group Companies having business interests or other interests in the Company, please see "Related Party Transactions" on page 184 of this Red Herring Prospectus.

(j) For details of transactions by the Company with the Group Companies or Subsidiaries during the last year, the nature of transactions and the cumulative value of transactions, please see "Related Party Transactions" on page 184 of this Red Herring Prospectus.

(k) Except as stated in the capital structure, we have not issued any shares for consideration other than cash.

(l) Investors are advised to refer to the section titled "Basis for Issue Price" on page 56 of this Red Herring Prospectus.

(m) Any clarification or information relating to the Issue shall be made available by the BRLMs and the Company to investors at large and no selective or additional information will be available for any subset of investors in any manner whatsoever. Investors may contact the BRLMs and the Syndicate Members for any complaints pertaining to the Issue.

(n) Trading in Equity Shares of the Company for all investors shall be in dematerialized form only.

SECTION III: INTRODUCTION

SUMMARY OF 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 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 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 Economist Fact Sheet dated as of July 3, 2009, India, with a population of over 1.14 billion people, had a Gross Domestic Product ("GDP") on a purchasing power parity ("PPP") basis of approximately US$3,363.00 billion in 2008. This made it the fourth largest economy in the world, on a PPP basis, after the United States, China and Japan.

According to the RBI's Macroeconomic and Monetary Developments First Quarter Review 2009-10 dated as of July 28, 2009, India is one of the fastest growing large economies in the world with a GDP growth of 6.7% in fiscal 2009 and an expected growth in GDP of 6.5% 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% in that period compared to 8.6% in the corresponding quarter in the preceding year.

Power (electricity) is an important infrastructural sector of a national economy. Providing adequate and affordable electric power is essential for economic development and higher standards of living. 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, primarily as a consequence of slow progress in the development of additional generation capacity. According to Power Scenario at a Glance, July 2009 (CEA), the total energy deficit and peak power deficit during April to June 2009 was approximately 9.8% and 12.3% respectively.

The per capita consumption in India is very low compared to the world average and even compared to other emerging countries. 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.

According to Power Scenario at a Glance, July 2009 (CEA), as on June 30, 2009, the total installed power generation capacity in India was 150,323.4 MW. State Electricity Boards accounted for 51.0% and Central Public Sector Units accounted for 32.6% of that total installed power generation capacity. The participation from the private sector is comparatively small at 16.6%

Currently, Indian generation 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 63.89%, hydro electric plants accounted for 24.56%, nuclear power plants accounted for 2.74% and renewable energy sources accounted for approximately 8.81% as on June 30, 2009.

Merchant power plants ("MPPs"), generate electricity for sale in the open wholesale market. 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.

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.

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 jointly 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 aggregate technical and commercial losses to around 10%, improve customer satisfaction and increase the reliability and quality of the power supply.

SUMMARY OF OUR BUSINESS

Overview

We are an established energy company with 860 megawatts, or MW, of operational generating capacity and 2,790 MW of generating capacity in the construction or implementation phase, 135 MW of which has been commissioned. In addition, we have power generation projects at an early stage under development with a proposed combined installed capacity of 7,740 MW. We believe that we are one of the early entrants in the power trading business. Currently most of our revenue is derived from power generation. It is our goal and strategy to become a leading full-service integrated power company in the Indian power sector with presence across the value chain. As part of that strategy and with the aim of managing sustainable growth and reducing potential constraints on such growth, we have entered into various joint ventures for the development of transmission lines for our power generation projects, coal and lignite mining to procure captive fuel supply for certain of our power generation projects and the manufacture of steam turbines and generators for power plants. We are currently exploring opportunities in coal mine acquisitions, power distribution business and generation through non-conventional energy sources.

We were incorporated in 1994, with the objective to develop, construct and operate power plants. We have been in the business of power generation since 2000 and our consolidated revenues increased from Rs. 13,260.74 million in fiscal 2008 to Rs. 18,521.61 million in fiscal 2009, an increase of 39.67%. For the six months ended September 30, 2009, our profit after tax was Rs 2,675.79 million, which is almost equal to our profit after tax for fiscal 2009. Our employee base increased from 414 employees in fiscal 2008 to 665 employees in fiscal 2009. We believe we have realized our growth because we are an established power company with a track record, operational efficiency, industry experience, and a deep understanding of the power industry in India. We are a part of the JSW Group, headed by Mr. Sajjan Jindal, which is in turn a part of the O.P. Jindal Group. The JSW Group had revenue in excess of Rs. 168,000 million for the year ended March 31, 2009. As at September 30, 2009, the JSW Group employed more than 8,500 employees. The JSW Group has a presence in the steel, power, cement, software, and infrastructure sectors. As part of the JSW Group, we benefit from group synergies, including access to talent, competitive commercial terms, and access to critical equipment and suppliers.

Our power plants are planned to be diverse in geographic location, fuel source and off-take arrangements. As part of our power generation business, we currently own and operate power plants in Karnataka with an aggregate capacity of 860 MW, have commissioned 135 MW of RWPL's 1,080 MW power plant in Rajasthan and, based on internal estimates, we expect to commission power plants with a further 570 MW of capacity, comprising 2x135 MW of RWPL's 1,080 MW power plant in Rajasthan and 1x300 MW of JSWERL's 1,200 MW power plant in Maharashtra, in fiscal 2010. We are also expanding our generation capacity by an additional 1,575 MW, which based on our internal estimates, we expect to commission by fiscal 2011 through the remaining 5x135MW units of RWPL's 1,080 MW power plant in Rajasthan and the remaining 3x300 MW of JSWERL's 1,200 MW power plant in Maharashtra. In addition, we expect to have additional aggregate generation capacity of 8,250 MW through our projects under implementation and development. Each project is planned to be strategically located either near an available fuel source, load centre or infrastructure facilities.

We sell power through a combination of long-term and short-term power purchase arrangements and through the power exchanges in India to state-owned utilities, power trading companies and some industrial consumers. Without compromising our risk management policies, our profitability over the past three years has significantly improved as we have increased the sale of power through short-term power purchase agreements in lieu of long-term power purchase agreements from 0% in fiscal 2005 to 61% in fiscal 2009 of our total power sold during those fiscal years. We sell power on a short-term basis through our power trading company, JSWPTC, pursuant to a MoU with JSWPTC.

We have been engaged in power trading activities since June 2006. The Central Electricity Regulatory Commission, or "CERC", has granted us a "F" category license which is the highest license category available to trade power in India.

We have entered into joint ventures in mining, the manufacture of steam turbines and generators and power transmission. Our mining joint ventures relate to allocations of coal and/or lignite blocks which we have received and will provide a captive fuel source for our projects in Rajasthan and Chhattisgarh. We expect our joint venture in equipment manufacture to provide us with high quality steam turbines and generators for our power generation business at competitive prices. We have entered into a joint venture agreement with the Maharashtra State Electricity Transmission Company Ltd ("MSETCL") and have incorporated a joint venture company, Jaigad PowerTransco Limited ("JPTL") to build and own transmission systems and to carry out all transmission related activities.

We have a track record in the development and management of power projects and power plants. We also provide operation and maintenance services for power plants of a group company.

Our 260 MW power plant in Karnataka has received the National Award to Power Utilities for Meritorious Performance for fiscal 2007 and fiscal 2008 from the Ministry of Power, Government of India, the National Award for Excellence in Thermal Power Generation by IEEMA and various other awards at state and regional levels.

Our consolidated revenues increased from Rs. 13,260.74 million in fiscal 2008 to Rs. 18,521.61 million in fiscal 2009, an increase of 39.67%. Our consolidated revenues increased from Rs. 7,870.89 million in the six months ended September 30, 2008 to Rs. 8,753.50 million in the six months ended September 30, 2009, an increase of 11.21%. Our profit after tax declined from Rs. 6,252.73 million in fiscal 2008 to Rs. 2,766.92 million in fiscal 2009, a decrease of 55.75%, primarily due to extraordinary income of Rs. 3,275.63 million earned from sale of CERs during fiscal 2008. Our profit after tax increased from Rs. 1,343.96 million in the six months ended September 30, 2008 to Rs. 2,675.79 million in the six months ended September 30, 2009, an increase of 99.1%.

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

Merger

Pursuant to a scheme of arrangement approved by the court, JSW Energy (Vijayanagar) Limited ("JSWEVL") and JSW PowerTransco Limited were merged with our Company, with the appointed date of April 1, 2008 and the Company being the surviving entity. In respect of our merger, Rs. 914.80 million was credited to our General Reserve account instead of our Capital Reserve account. This treatment is in compliance with paragraph 23 of Accounting Standard (AS) 14 "Accounting for Amalgamations", as the scheme of merger approved by the High Court provided for the credit to our General Reserve account. For further details, please see Note 3(i) of our Standalone Financial Statements and Note 6(j) of our Consolidated Financial Statements.

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 company*. We have been in the business of power generation since 2000. We have been able to identify new opportunities, capitalize on our strengths, position ourselves as an early participant in power trading, and have planned expansions to our generation assets through a structured approach.

  We have a track record of operating our power projects in an efficient manner. For example, for our 260 MW operational power plant ("JSWEL–SBU I"), we have achieved the following performance parameters which demonstrate efficient plant operation:

  - a high plant availability, with an average of 96.62% since commercial operation began in 2000 through March 31, 2009;

  - a high plant load factor, or "PLF", with an average PLF of 93.44% from the date of achieving commercial operation in 2000 through March 31, 2009;

  - low percentage of auxiliary consumption of our operational power plant, with an average of 6.97% from the date of achieving commercial operation in 2000 through March 31, 2009; and

  - continuous improvement in heat rates resulting in efficient fuel usage, the heat rate improved from 2,565 Kcal/kWh in fiscal 2001 to 2,321 Kcal/ kWh in fiscal 2009.

  For our newly operational 600 MW JSWEL-SBU II power plant, we stabilized the performance parameters of each 300 MW unit within a month of the commissioning of its operations and we have achieved a high plant availability of 92.06% and 100.00% and a high plant load factor of 80.09% and 92.62% for the first 300 MW unit and the second 300 MW unit, respectively, during the period from the commercial operation date of each unit, which was July 1, 2009 and September 1, 2009, respectively, until September 30, 2009.

- *Visibility on projects expected to be completed between November 2009– April 2011 and pipeline of additional power projects under implementation and development*. We believe that our project management expertise allows us to 'fast-track' several power projects at the same time so that revenues can be realized from these projects on an accelerated basis. In July 2009 and September 2009, we commenced commercial operation of the first 300 MW unit and the second 300 MW unit, respectively, of our 600 MW power plant in Karnataka, which has begun to generate revenue for us. For our two projects with an aggregate capacity of 2,280 MW, comprising of JSWERL's 1,200 MW in Ratnagiri and RWPL's 1,080 MW in Rajasthan, currently under construction, we were able to achieve financial closure after having obtained necessary construction approvals from respective state governments, taken possession of land, and placed orders for all critical long-delivery orders for plant and equipment. In August, 2009, we also commissioned the first 135 MW unit of RWPL's 1,080 MW power plant in Rajasthan and expect to achieve commercial operation of this 135 MW unit by the end of November 2009. We believe these two projects are ahead of schedule and will commence commercial operations by April 2011.

  Our six power generating assets under operation, construction and implementation have an aggregate capacity of 3,650 MW. These projects have all been structured to capitalize on a matrix of benefits including fuel type, fuel location, site location, load centres, and infrastructure availability.

  We plan to complement these projects with a further 7,740 MW comprising four additional projects which are currently under development. These projects are expected to achieve commercial operation between August 2014 and August 2015.

- *Fuel tie-up and diversification of fuel supply*. We have achieved long-term fuel linkages for all our projects under operation, construction and implementation thereby ensuring fuel availability. We have taken steps to secure domestic coal linkages for certain of our projects which will reduce costs and reliance on imported coal, especially exposure to the price volatility, and permit us to expedite certain of our projects under development. A 'coal linkage' is a long-term supply contract for delivery of coal meeting specific contract specifications.

- *Off-take arrangements*. Our power off-take arrangements reflect a careful balance between risk, cashflows, and revenue through a mix of long-term and short-term power purchase arrangements. Under the long-term arrangements we also have different types of arrangements:

  - a state government approved tariff for the 1,080 MW RWPL project;

  - a two part-tariff for part of JSWEL generation assets; and

  - competitive bidding for 50% of the 1,200 MW JSWERL project.

  Under the short-term arrangements, we sell power to power trading companies and through the power exchanges, the Power Exchange of India Limited ("PXIL") and the Indian Energy Exchange ("IEX").

- *Experience in Project Management.* We and the JSW Group have a track record of building and commercially operating five power plants with a total generating capacity of 1,150 MW, comprising of JSWEL SBU-I's operational 260 MW power plant in Karnataka, JSWEL SBU-II's 600 MW power plant in Karnataka, JSWSL's 100 MW combined gas fired power plant at Karnataka, JSWSL's 130 MW coke oven heat recovery based power plant at Karnataka and Southern Iron and Steel Company Limited's 60 MW (2 x 30 MW) gas and coal based power plant at Tamil Nadu. On account of this expertise, we have gained valuable insights and developed direct relationships with vendors and equipment suppliers and are currently constructing and implementing five power plants at four locations capable of generating power aggregating to 2,790 MW. Based on progress to date, we believe that a majority of the projects currently under construction and implementation are likely to achieve commercial operation on or earlier than the scheduled commercial operations date specified by lenders. We have achieved timely financial closure, for two of our projects aggregating to a generation capacity of 2,280 MW and for our transmission line construction project. We have applied for revalidation of sanction letters for our two projects under implementation with an aggregate capacity of 510 MW. On account of timely achievement of financial closure, we have commenced work on certain of our projects ahead of schedule.

- *Experienced and Qualified Management.* We are a professionally managed company with an experienced management team possessing extensive industry experience. Our key management personnel have successfully implemented several power plants, including five power plants within the JSW Group. We believe our experienced management team, combined with our sound internal controls and risk management measures help maintain our competitive advantage in the marketplace.

- *Financial Profile.* We are an established operating company with a track record. Our net worth has grown from Rs. 9,315.31 million in fiscal 2005 to Rs. 14,777.67 million in fiscal 2009, primarily due to profits from our operations. On account of our financial profile, including internal accruals, we have been able to raise Rs. 89,550 million of financing for our JSWEL SBU-II, JSWERL, JPTL and RWPL projects, Rs. 60,887.23 million of which has been disbursed as of September 30, 2009.

- *The JSW Group.* We are a part of the O.P. Jindal Group, one of India's well-known business groups with over three decades of business experience in various sectors. Within the O.P. Jindal Group, we operate as part of the JSW Group. The JSW Group is a diversified business group with interests in the steel, power, cement, software and infrastructure sectors. We believe that we achieve group synergies, including access to talent, securing competitive commercial terms, and sourcing critical equipment and supplies. In addition, the JSW Group has established relationships and a track record with major coal mining companies and traders.

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 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, the total peak shortage was 15,344 MW in June 2009. As per the IEP Report, Expert Committee on Power, in the 11th Plan (2007-2012), a capacity addition of 71 Gigawatts ("GW") and 84 GW, assuming a 8.0% and 9.0% GDP growth rate, respectively, would be required by 2012. Given our experience in project management, we believe that we are well-positioned to capitalize on this growth through our projects under construction, implementation and development.

- *Achieve End-to-End integration*. We intend to build an integrated energy business with a reliable fuel supply and a presence across generation, transmission, distribution and power trading through conventional and non-conventional energy sources. To achieve an end-to-end integrated energy business model, we are pursuing organic and in-organic growth as well as partnering with well-known equipment manufacturers and suppliers. Further, to improve our operational efficiency and strengthen our results of operations, we may consolidate the operations of our subsidiaries into our Company from time to time.

- *Ensure fuel security*. We intend to continue to obtain fuel security by acquiring coal assets abroad or through captive coal allocations domestically. In order to ensure this, we intend to evaluate different options including equity participation in, and joint development of mines through, special purpose entities. This will enable us to achieve long-term fuel availability, reduce reliance on imported coal, and mitigate our exposure to the price volatility.

- *Continue a structured approach to expand and diversify our portfolio of power generation assets*. We plan to expand our generation capacity and development efforts in order to capitalize on the prevailing and foreseeable future imbalance between electricity demand and supply in India. We intend to pursue a structured approach to achieve this growth by capitalizing on our strengths and synergies with our existing businesses for greater profitability and diversification of our risks. As part of this approach, we believe the following are key factors in determining the expansion of our generation assets:

- Location: either near a fuel source or near a load center, to be able to supply power competitively;

- Power deficits and network constraints: take advantage and profit from regional demand and supply patterns, capacity shortages, transmission constraints throughout India;

- Fuel sourcing: to opportunistically source fuel for our generating assets from various locations; and

- Diversity: diversify our generating asset and fuel mix portfolios.

We also intend to develop most of our power projects under development in a 660 MW or 800 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.

We will also consider building generation assets based on other forms of energy sources including non-conventional and renewable energy resources including solar, wind and nuclear power.

- *Maintain an optimal combination of long-term and short-term power off-take agreements*. We plan to maintain an optimal combination of long and short-term power purchase agreements, or “PPAs,” to mitigate the risks and optimise returns to stakeholders. To achieve a balanced portfolio in view of the nature of the power *sector* in India and the uncertainties related to costs, it is our intention to sell power generated close to load centers in approximately equal proportions under long-term and short-term PPAs. In contrast, in other locations, the proportion of power sold under long-term PPAs may exceed power sold under short-term PPAs. We believe this will enable us to take advantages of the emerging power scenario in India.

- *Continue to recruit, retain and train qualified personnel*. We plan to continue to recruit, retain and train *qualified personnel* for our sub-critical and super-critical technology. To achieve this, we have established the JSW Energy Centre of Excellence (“JSWECE”), equipped with a contemporary power plant simulator, with the object of training engineers in the operation and maintenance of thermal power plants. JSWECE signed a MoU with M.S. Ramaiah Institute of Technology, Bangalore on June 23, 2009 for providing a one-year full time post-graduate diploma in power plant engineering for engineering graduates which commenced on August 17, 2009.

SUMMARY FINANCIAL INFORMATION

JSW ENERGY LIMITED

ANNEXURE I-A

STANDALONE RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. Million)

	Particulars	As at September 30,		As at March 31,				
		2009	2008	2009	2008	2007	2006	2005
A.	**Fixed Assets**							
	Gross Fixed Assets	29,083.94	10,931.92	11,005.91	10,826.35	10,816.17	10,728.95	10,695.84
	Less: Depreciation	5,789.54	5,029.30	5,325.36	4,733.71	4,148.70	3,567.03	2,989.93
	Net Block	**23,294.40**	**5,902.62**	**5,680.55**	**6,092.64**	**6,667.47**	**7,161.92**	**7,705.91**
	Capital Work in Progress (including capital advance payments)[##]	1,581.86	16,505.17	18,796.15	1,524.61	2.14	97.01	2.60
	Total Fixed Assets	**24,876.26**	**22,407.79**	**24,476.70**	**7,617.25**	**6,669.61**	**7,258.93**	**7,708.51**
B.	**Investments[**]**	**21,295.60**	**13,309.28**	**19,399.40**	**14,117.73**	**7,405.05**	**3,476.34**	**3,485.17**
C.	**Current Assets, Loans and Advances**							
	Inventories	1,232.75	337.63	322.66	300.54	231.20	214.50	204.10
	Receivables	3,304.49	976.13	1,155.13	820.07	3,893.20	4,675.03	4,656.25
	Unbilled Revenue	372.78	231.02	41.05	554.38	-	-	-
	Cash & Bank balances	724.48	514.58	264.21	1,003.05	1,059.90	440.60	26.26
	Loans and advances	5,625.91	2,045.45	1,501.09	680.03	490.57	249.15	447.62
		11,260.41	**4,104.81**	**3,284.14**	**3,358.07**	**5,674.87**	**5,579.28**	**5,334.23**
	Total Assets (A+B+C)	**57,432.27**	**39,821.88**	**47,160.24**	**25,093.05**	**19,749.53**	**16,314.55**	**16,527.91**
D.	**Liabilities & Provisions**							
	Loan Funds							
	Advance against Share Capital	-	94.20	-	-	-	-	-
	Secured Loans	26,503.66	18,594.06	23,311.40	8,501.23	5,149.60	4,383.10	6,122.97
	Unsecured Loans	1,000.00	-	-	-	1,020.00	-	-
	Deferred Tax Liability	954.51	747.74	815.07	684.88	559.15	442.93	329.89
	Current Liabilities & Provisions							
	Liabilities	6,312.98	3,567.80	3,370.18	2,064.37	1,182.22	369.24	308.66
	Provisions	62.78	204.85	23.34	1,215.26	473.48	1,305.14	451.08
	Total Liabilities (D)	**34,833.93**	**23,208.65**	**27,519.99**	**12,465.74**	**8,384.45**	**6,500.41**	**7,212.60**
E.	**Net worth (A+B+C) - D**	**22,598.34**	**16,613.23**	**19,640.25**	**12,627.31**	**11,365.08**	**9,814.14**	**9,315.31**
	Represented by:							

Particulars		As at September 30,		As at March 31,				
		2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
	Shareholders' funds							
	Share Capital	13,664.28	5,377.21	5,465.71	5,147.55	3,468.00	2,890.00	2,890.00
	Reserves & Surplus	8,934.06	11,236.02	14,174.54	7,479.76	7,897.08	6,924.14	6,425.31
	Total	**22,598.34**	**16,613.23**	**19,640.25**	**12,627.31**	**11,365.08**	**9,814.14**	**9,315.31**

The amount of Capital WIP increased from Rs 2.14 million in fiscal 2007 to Rs 1,524.61 million in fiscal 2008 because of investment in the Kutehr hydro project aggregating Rs. 755.89 million, advance for property amounting to Rs. 750 million and other capital expenditure amounting to Rs. 16.58 million.

The Capital WIP increased from Rs. 15,24.61 million in fiscal 2008 to Rs. 18,796.15 million in fiscal 2009 because of merger of JSW Energy Vijayanagar Limited into the Company resulting in transfer of project assets aggregating Rs. 17,228.96 million into the Company and other capital expenditure amounting to Rs. 42.58 million.

** In the Standalone Balance Sheet, the amount of investments increased from Rs. 3,476.34 million in fiscal 2006 to Rs. 7,405.05 million in fiscal 2007 due to investment in subsidiaries aggregating to Rs. 3,908.56 million and other investments of Rs. 20.15 million.

The amount of investments increased to Rs. 14,117.73 million in fiscal 2008 from Rs. 7,405.05 million in fiscal 2007 due to investments in subsidiaries aggregating Rs. 9,990.89 million, partially reduced by the transfer of assets aggregating Rs. 3,278.21 million under the demerger of the investment division as described in Note 3(b) of the Standalone Financial Statements.

JSW ENERGY LIMITED

STANDALONE RESTATED STATEMENT OF PROFITS & LOSSES

(Rs. Million)

Particulars	For the Half Year Ended September 30		For the Year Ended March 31,				
	2009	2008	2009	2008	2007	2006	2005
Income							
Income from Operation: -							
Sale of Power Generated by the Company	8,479.43	5,990.05	12,336.74	9,256.47	7,303.55	5,307.97	4,908.40
Sale of Certified Emission Reductions (CER's)	-	-	-	3,275.63	-	-	-
Operator Fees	88.91	85.49	178.69	170.50	130.69	110.32	-
Project Management Fees	600.75	2,031.60	3,395.00	3,036.90	360.00	-	-
Total Income from Operation	**9,169.09**	**8,107.14**	**15,910.43**	**15,739.50**	**7,794.24**	**5,418.29**	**4,908.40**
Other income	93.66	18.35	29.35	307.57	328.25	70.53	28.27
Total Income	**9,262.75**	**8,125.49**	**15,939.78**	**16,047.07**	**8,122.49**	**5,488.82**	**4,936.67**
Expenditure							
Cost of Fuel	3,244.22	3,040.95	6,202.42	3,121.58	2,647.72	2,558.07	2,405.88
Employees Cost	276.60	170.68	420.70	224.11	99.99	61.65	42.37
Operation, Maintenance & Other Expenses	473.86	510.91	845.57	1,317.61	483.77	382.04	320.60
Operating Expenses	**3,994.68**	**3,722.54**	**7,468.69**	**4,663.30**	**3,231.48**	**3,001.76**	**2,768.85**
PBIDTA	**5,268.07**	**4,402.95**	**8,471.09**	**11,383.77**	**4,891.01**	**2,487.06**	**2,167.82**
Interest and Finance Charges	1,085.96	514.47	1,202.85	885.32	628.89	497.39	599.30
Depreciation	464.40	297.00	596.33	585.59	582.87	579.61	576.75
Profit Before Tax	**3,717.71**	**3,591.48**	**6,671.91**	**9,912.86**	**3,679.25**	**1,410.06**	**991.77**
Provision for:							
Current Tax (including Fringe Benefit Tax)	632.13	409.40	760.81	1,109.26	370.70	109.18	59.36
Tax related to previous years	-	-	-	118.22	-	-	-
Deferred Tax	139.43	62.86	130.20	125.72	116.22	113.04	329.89
Profit After Tax (A)	**2,946.15**	**3,119.22**	**5,780.90**	**8,559.66**	**3,192.33**	**1,187.84**	**602.52**
Adjustments: - (Refer Note No. 3 (a) in Annexure IV-A)							
Sale of Certified Emission Reductions (CER's)	-	-	-	(3,275.63)	-	162.75	910.82
Project Management Expenses	-	-	-	59.80	(59.80)	-	-
Project Management Income	-	-	-	140.90	(140.90)	-	-
Provision for Phased overhauling expenses	-	-	-	(147.30)	(51.20)	-	38.50
Exchange Gain	-	-	-	(80.02)	-	-	-
Deferred Tax Liability	-	-	-	-	-	-	239.85
Service Income	(40.56)	18.12	40.56	-	-	-	-
Finance charges	50.53	(50.53)	(50.53)	-	-	-	-
Total Adjustments	**9.97**	**(32.41)**	**(9.97)**	**(3,302.25)**	**(251.90)**	**162.75**	**1,189.17**
Tax impact on above adjustments	(1.69)	5.51	1.69	371.00	22.74	(18.44)	(132.08)
Tax impact - others	-	-	-	94.23	(13.04)	(9.51)	(1.79)
Total Tax adjustments	**(1.69)**	**5.51**	**1.69**	**465.23**	**9.70**	**(27.95)**	**(133.87)**

Particulars	For the Half Year Ended September 30		For the Year Ended March 31,				
	2009	2008	2009	2008	2007	2006	2005
Total Adjustments after tax impact (B)	**8.28**	**(26.90)**	**(8.28)**	**(2,837.02)**	**(242.20)**	**134.80**	**1,055.30**
Net Profit, as Restated (A+B)	**2,954.43**	**3,092.32**	**5,772.63**	**5,722.64**	**2,950.13**	**1,322.64**	**1,657.82**
Restated Earning Per Share - (Basic) (Rs.) -(Diluted) (Rs.)	**2.16 2.15#**	**2.30 2.30**	**4.22 4.22**	**4.45 4.45**	**2.50 2.50**	**1.23 1.23**	**1.55 1.55**

\# after considering pre-IPO allotment of 6,300,000 equity shares of Rs 10 each issued at a premium of Rs 90 per share on November 16, 2009

STANDALONE RESTATED STATEMENT OF CASH FLOW

(Rs. Million)

	Particulars	For the Half Year Ended September 30		For the Financial Year Ended March 31				
		2009	2008	2009	2008	2007	2006	2005
A.	**Cash Flow from Operating Activities**							
	Net Profit before tax as restated	**3,727.68**	**3,559.07**	**6,661.94**	**6,610.61**	**3,427.35**	**1,572.81**	**1,941.09**
	Adjustment for :							
	Depreciation	464.40	297.00	596.33	585.59	582.90	579.60	576.75
	Interest Income	(10.00)	(17.00)	(27.38)	(104.85)	(45.80)	(5.60)	(1.13)
	Dividend Income	-	-	-	-	(281.80)	(64.20)	(25.64)
	Preliminary and Share issue expenses written off	-	-	29.38	-	-	-	-
	Amortisation of Employee Share payments	3.63	3.63	7.33	2.09			
	Loss on Sale of Fixed Assets	0.20	1.20	2.07	1.03	0.30	0.40	1.05
	Loss on Sale of Long Term Investments	-	-	-	-	-	33.80	-
	Interest & Finance charges	1,035.41	565.03	1,253.38	885.32	628.89	497.39	599.30
	Foreign Exchange Gain	16.82	-	(0.36)	25.29	-	-	-
	Sub Total	**1,510.46**	**849.86**	**1,860.75**	**1,394.47**	**884.49**	**1,041.39**	**1,150.33**
	Operating profit before working capital changes	**5,238.14**	**4,408.93**	**8,522.69**	**8,005.08**	**4,311.84**	**2,614.20**	**3,091.42**
	Adjustments for:							
	Changes in Trade and other Receivables	(2,149.44)	(156.02)	(335.05)	3,073.15	581.80	(18.75)	(562.90)
	Unbilled Revenue	(331.80)	323.40	513.34	(554.38)	-	-	-
	Changes in Trade and other Payables	2,987.70	(64.92)	(409.92)	850.54	824.30	56.85	16.77
	Changes in Inventories	(910.00)	(37.12)	(22.15)	(69.35)	(16.70)	(10.40)	(9.49)
	Loans & Advances	(198.00)	(28.41)	(373.44)	(68.55)	(234.25)	183.21	(190.83)
	Cash from operations	**4,636.60**	**4,445.86**	**7,895.47**	**11,236.49**	**5,466.99**	**2,825.11**	**2,344.97**
	Income Taxes paid	(598.90)	(385.60)	(759.89)	(1,226.94)	(377.00)	(103.60)	(165.29)
	Net cash from operating activities	**4,037.70**	**4,060.26**	**7,135.578**	**10,009.55**	**5,089.99**	**2,721.51**	**2,179.68**
B	**Cash Flow from Investing Activities**							
	Purchase of Fixed Assets including Intangible Assets,CWIP & Preop. Exp.	(863.80)	(4,153.97)	(6,374.22)	(1,629.89)	(7.60)	(101.00)	(35.24)
	Interest Income	10.00	17.00	27.38	104.85	45.80	5.60	1.13
	Dividend Income	-	-	-	-	281.80	64.21	25.64
	Investments in Subsidiaries/ associates (including advances)	(5,823.00)	(2,342.08)	(7,531.08)	(10,111.76)	(3,929.45)	(25.00)	(2,366.65)
	Sale of Fixed Assets	0.43	3.00	3.00	0.40	0.80	0.71	0.20
	Net cash from/(used)in investing activities	**(6,676.37)**	**(6,476.05)**	**(13,874.92)**	**(11,636.40)**	**(3,608.65)**	**(55.48)**	**(2,374.92)**
C.	Cash Flows from Financing Activities							
	Proceeds from equity (incl. received by erstwhile subsidiary)	-	94.20	343.10	-	578.00	-	-
	Borrowings (Net)	4,192.30	3,130.90	7,808.07	2,411.63	1,799.50	(1,770.10)	586.06
	Interest Paid	(1,093.35)	(532.80)	(1,210.71)	(871.61)	(638.54)	(491.59)	(522.18)
	Dividend Paid	-	(1,029.50)	(1,204.48)	-	(2,801.00)	-	-
	Net cash from financing activities	**3,098.95**	**1,662.80**	**5,735.98**	**1,540.02**	**(1,062.04)**	**(2,261.69)**	**63.88**
	Net (Decrease) / Increase in cash	**460.27**	**(752.99)**	**(1,003.36)**	**(86.83)**	**419.30**	**404.34**	**(131.36)**
	Cash and cash equivalents at beginning of year	64.21	763.07	763.07	849.90	430.60	26.26	157.62
	Add: Pursuant to Scheme of Amalgamation	-	304.50	304.50	-	-	-	-
		64.21	**1,067.57**	**1,067.57**	**849.90**	**430.60**	**26.26**	**157.62**
	Cash and cash equivalents at end of year/period	524.48	314.58	64.21	763.07	849.90	430.60	26.26

JSW ENERGY LIMITED

CONSOLIDATED RESTATED STATEMENT OF ASSETS & LIABILITIES

(Rs. Million)

	Particulars	As at September 30,		As at March 31,			
		2009	2008	2009	2008	2007	2006
A.	**Goodwill on Consolidation**	171.19	171.12	171.82	172.08	171.36	0.03
B.	**Fixed Assets**						
	Gross Block (at cost)	29,642.15	11,327.91	11,518.89	11,143.85	10,865.17	10,730.73
	Less: Depreciation	5,821.97	5,042.97	5,349.19	4,742.10	4,152.19	3,567.04
	Net Block	**23,820.18**	**6,284.94**	**6,169.70**	**6,401.75**	**6,712.98**	**7,163.69**
	Capital Work in Progress (including capital advance)	79,874.31	48,786.82	79,189.89	27,419.79	2,728.78	116.13
	Total	**103,694.49**	**55,071.76**	**85,359.59**	**33,821.54**	**9,441.76**	**7,279.82**
C.	**Investments**	**1,994.72**	**218.44**	**1,704.73**	**207.32**	**3,675.07**	**3,454.91**
D.	**Current Assets, Loans and Advances**						
	Inventories	1,368.48	337.66	322.70	300.50	231.25	214.50
	Sundry Debtors	3,474.37	1,247.53	1,409.43	693.00	3,899.23	4,675.03
	Cash & bank balances	1,589.63	1,211.01	1,750.98	2,949.40	2,745.09	448.37
	Loans and advances	3,038.65	1,355.95	1,957.70	1,091.81	1,034.69	249.42
	Total	**9,471.13**	**4,152.15**	**5,440.81**	**5,034.71**	**7,910.26**	**5,587.32**
	Total Assets (A+B+C+D)	**115,331.53**	**59,613.47**	**92,676.95**	**39,235.65**	**21,198.45**	**16,322.08**
E.	**Liabilities & Provisions**						
	Advance towards Share Capital	**-**	**94.20**	**-**	**90.00**	**-**	**-**
	Minority Interest	**152.18**	**0.18**	**152.19**	**800.13**	**800.29**	**0.25**
	Loan funds						
	Secured Loans	75,756.85	38,275.36	59,265.85	22,720.90	6,045.10	4,383.10
	Unsecured Loans	1,005.78	5.78	5.78	5.78	1,025.78	5.78
	Deferred Tax Liability	953.95	748.14	814.49	685.02	559.24	442.93
	Current Liabilities & Provisions						
	Liabilities	19,915.23	7,286.23	17,637.24	3,811.40	1,142.37	369.56
	Provisions	71.72	203.05	23.73	1,208.31	424.65	1,295.85
	Total	**97,855.71**	**46,612.94**	**77,899.28**	**29,321.54**	**9,997.43**	**6,497.47**
F.	**Net worth [(A+B+C+D) – E]**	**17,475.82**	**13,000.53**	**14,777.67**	**9,914.11**	**11,201.02**	**9,824.61**
	Represented by:						
	Share Capital	13,664.28	5,377.21	5,465.70	5,147.56	3,468.00	2,890.00
	Reserves & Surplus	3,811.54	7,623.32	9,311.97	4,766.55	7,733.02	6,934.61
	Total	**17,475.82**	**13,000.53**	**14,777.67**	**9,914.11**	**11,201.02**	**9,824.61**

JSW ENERGY LIMITED

CONSOLIDATED RESTATED STATEMENT OF PROFITS AND LOSSES

(Rs. Million)

Particulars	For the Half Year Ended September 30,		For the Year Ended March 31,			
	2009	2008	2009	2008	2007	2006
Income						
Income from Operations: -						
Sale of Power Generated	8,546.94	6,021.59	12,393.68	9,313.15	7,339.87	5,307.97
Power Traded	-	1,688.16	5,777.83	172.12	298.70	-
Sale of Certified Emission Reductions (CER's)	-	-	-	3,275.63	-	-
Operator Fees	88.91	85.50	178.70	170.50	130.70	110.32
Total Income from Operations	**8,635.85**	**7,795.25**	**18,350.21**	**12,931.40**	**7,769.27**	**5,418.29**
Other income	117.65	75.64	171.40	329.34	346.21	70.53
Total Income	**8,753.50**	**7,870.89**	**18,521.61**	**13,260.74**	**8,115.48**	**5,488.82**
Expenditure						
Purchase of Power	-	1,676.72	5,744.42	166.72	296.31	-
Cost of Fuel	3,244.22	3,040.90	6,202.40	3,121.60	2,647.72	2,558.07
Employees Cost	125.76	112.77	270.55	154.88	87.81	61.65
Operation, Maintenance & Other Expenses	345.10	398.12	814.32	723.39	460.41	380.60
Total Operating Expenses	**3,715.08**	**5,228.51**	**13,031.69**	**4,166.59**	**3,492.25**	**3,000.32**
Profit Before Interest, Depreciation, Tax and Amortisation (PBIDTA)	**5,038.42**	**2,642.38**	**5,489.92**	**9,094.15**	**4,623.23**	**2,488.50**
Interest and Finance Charges	1,095.47	514.97	1,209.43	885.54	629.79	497.39
Depreciation	467.36	299.58	602.08	586.03	583.05	579.61
Preliminary and Share issue expenses written off	11.18	-	-	0.18	-	-
Profit Before Tax	**3,464.41**	**1,827.83**	**3,678.41**	**7,622.40**	**3,410.39**	**1,411.50**
Provision for:						
Current Tax (including Fringe Benefit Tax)	649.12	420.65	782.01	1,125.72	389.59	109.67
Tax related to previous years	-	-	-	118.22	-	-
Deferred Tax	139.50	63.22	129.48	125.73	116.30	113.00
Profit After Tax (A)	**2,675.79**	**1,343.96**	**2,766.92**	**6,252.73**	**2,904.50**	**1,188.83**
Adjustments: - (Refer Note No. 5 (a) in Annexure IV-B)						
Sale of Certified Emission Reductions (CER's)	-	-	-	(3,275.63)	-	162.75
Preliminary and Share Issue expenses written off	10.59		(10.59)	-	(77.48)	-
Provision for Phased Overhauling Expenses				(147.30)	(51.20)	
Exchange Gain			-	(80.02)	-	-
Finance Charges	50.53				(50.53)	
Service Income	(40.56)	18.12	40.56	-	-	-
Total Adjustments	**20.56**	**18.12**	**29.97**	**(3,502.95)**	**(179.21)**	**162.75**
Tax impact on above adjustments	(1.69)	(3.08)	(6.89)	393.74	8.59	(18.44)
Tax impact - others	-	-	-	94.23	(13.04)	(9.51)
Total Tax adjustments	**(1.69)**	**(3.08)**	**(6.89)**	**487.97**	**(4.45)**	**(27.95)**
Total Adjustments after tax impact (B)	**18.87**	**15.04**	**23.08**	**(3,014.98)**	**(183.66)**	**134.80**
Net Profit before minority interest, as	**2,694.65**	**1,359.00**	**2,790.00**	**3,237.75**	**2,720.84**	**1,323.63**

Particulars	For the Half Year Ended September 30,		For the Year Ended March 31,			
	2009	2008	2009	2008	2007	2006
restated (A+B)						
Less: Minority Interest	-	-	-	-	0.02	-
Net Profit after minority interest, as restated	**2,694.65**	**1,359.00**	**2,790.00**	**3,237.75**	**2,720.82**	**1,323.63**
Restated Earnings Per Share -(Basic) (Rs.)	1.97	1.01	2.04	2.52	2.30	1.23
-(Diluted) (Rs.)	1.96#	1.01	2.04	2.52	2.30	1.23

after considering pre-IPO allotment of 6,300,000 equity shares of Rs 10 each issued at a premium of Rs 90 per share on November 16, 2009

JSW ENERGY LIMITED

CONSOLIDATED RESTATED CASH FLOW STATEMENT

(Rs. Million)

	Particulars	For the Half Year Ended September 30,		For the Year Ended March 31,			
		2009	2008	2009	2008	2007	2006
A	**Cash Flow from Operating Activities**						
	Net Profit before tax as restated	**3,484.97**	**1,845.95**	**3,708.38**	**4,119.45**	**3,231.18**	**1,574.25**
	Adjustment for:						
	Depreciation	467.36	299.58	602.08	586.03	583.05	579.60
	Interest Income	(13.37)	(24.56)	(38.37)	(109.62)	(45.80)	(5.60)
	Dividend Income	(7.00)	(12.37)	(11.93)	(0.71)	(299.23)	(64.20)
	Preliminary and Share Issue expenses written off	0.59	-	39.99	0.19	-	-
	Amortisation of Employee Share payments	3.67	3.66	7.33	2.09	-	-
	Loss on Sale of Fixed Assets	0.32	1.20	2.07	1.07	0.28	0.40
	Loss on Sale of Long Term Investments			-	-	-	33.80
	Interest & finance charges	1,044.94	514.97	1,209.43	885.54	680.53	497.39
	Foreign Exchange Loss / (Gain)	(16.73)	(0.02)	(0.81)	25.07	-	-
	Sub Total	**1,479.78**	**782.46**	**1,809.79**	**1,389.66**	**918.83**	**1,041.39**
	Operating profit before working capital changes	**4,964.75**	**2,628.41**	**5,518.17**	**5,509.11**	**4,150.01**	**2,615.64**
	Adjustments for:						
	Changes in Trade and other Receivables	(2,064.95)	(554.53)	(716.43)	3,495.03	332.58	(18.85)
	Changes in Trade and other Payables	3,008.76	1,310.36	1,095.86	283.54	710.59	55.98
	Changes in Inventories	(1,045.78)	(37.16)	(22.20)	(69.30)	(16.70)	(10.40)
	Loans & Advances	(1,289.89)	(108.36)	(437.01)	(90.92)	(234.25)	183.21
	Cash from operations	**3,572.89**	**3,238.72**	**5,438.39**	**9,127.46**	**4,942.23**	**2,825.58**
	Income Taxes Paid	(576.68)	(394.18)	(755.23)	(1,246.10)	(397.64)	(103.91)
	Net cash from operating activities	**2,996.21**	**2,844.54**	**4,683.16**	**7,881.36**	**4,544.59**	**2,721.67**
B	**Cash Flow from Investing Activities**						
	Purchase of Fixed Assets including Intangible Assets, CWIP & Preoperative Expenses	(19,454.01)	(18,703.18)	(38,801.21)	(22,561.34)	(3,152.23)	(106.57)
	Interest Income	13.37	24.56	38.37	109.62	45.80	5.60
	Dividend Income	7.00	12.37	11.93	0.71	299.23	64.21
	Investment in Associates (including advances)	(111.77)	(16.10)	(1,701.44)	70.50	(220.91)	(3.80)
	Preliminary expenses incurred	(0.60)	-	(10.59)	(0.18)	-	-
	Sale of Investments	-	10.50	-	-	-	-
	Sale of Fixed Assets	0.43	3.00	3.00	0.44	0.76	0.71
	Net cash from/ (used in) investing activities	**(19,545.58)**	**(18,668.85)**	**(40,459.94)**	**(22,380.25)**	**(3,027.35)**	**(39.85)**
C	**Cash Flows from Financing Activities**						
	Proceeds from further equity issued	-	94.38	495.30 *	90.00	1,378.00	-
	Proceeds from/(Repayments	17,487.14	15,594.46	36,544.93	15,749.25	2,695.00	(1,778.13)

Particulars		For the Half Year Ended September 30,		For the Year Ended March 31,			
		2009	2008	2009	2008	2007	2006
	of) Borrowings (Net)						
	Interest & finance charges paid	(1,099.01)	(533.27)	(1,217.33)	(1,166.20)	(692.52)	(491.59)
	Dividend Paid		(1,029.50)	(1,204.50)	-	(2,801.00)	-
	Net cash from/ (used in) financing activities	**16,388.13**	**14,126.07**	**34,618.40**	**14,673.05**	**579.48**	**(2,269.72)**
	Net (Decrease) / Increase in cash and cash equivalents	**(161.24)**	**(1,698.24)**	**(1,158.38)**	**174.16**	**2,096.72**	**412.10**
	Cash and cash equivalents at beginning of year/ period	1,550.87	2,709.25	2,709.25	2,535.09	438.37	26.26
	Cash and cash equivalents at end of year/ period	1,389.63	1,011.01	1,550.87	2,709.25	2,535.09	438.37

Notes:
Cash and cash equivalents exclude balance in margin money.
* Includes equity received by erstwhile merged subsidiary.

THE ISSUE

Issue of Equity Shares*	**Rs. 27,000 million**
Of which:	
Qualified Institutional Buyers (QIBs) Portion**	At least Rs. 16,200 million
of which	
Available for Mutual Funds only	Rs. 810 million
Balance of QIB Portion (available for QIBs including Mutual Funds)	Rs. 15,390 million
Non-Institutional Portion	Not less than Rs. 2,700 million #
Retail Portion##	Not less than Rs. 8,100 million #
Pre and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	1,372,728,191 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Issue Proceeds	

See "Objects of the Issue" on page 39 of this Red Herring Prospectus for information about the use of the Issue Proceeds.

Allocation to all categories, except the Anchor Investor Portion, if any, shall be made on a proportionate basis.

* The Company has allotted 6,300,000 Equity Shares to JSW Group Welfare Trust pursuant to a Pre-IPO Placement through a resolution of Committee of the Board of Directors dated November 16, 2009.

** The Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. 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, please see the section entitled "Issue Procedure" on page 394 of this Red Herring Prospectus.

\# 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 and the Designated Stock Exchange. If at least 60% of the Issue is not allocated to the QIBs, the entire subscription monies shall be refunded.

\## In case discount to the Issue Price is offered to the Retail Individual Bidders, the Retail Portion will be reduced in such proportion that the number of Equity Shares issued to Retail Individual Bidders does not exceed 30% of the total number of Equity Shares issued pursuant to the Issue. The difference so arising will be added to QIB Portion and Non-Institutional Portion, such that allotment of Equity Shares in the Issue is done in the ratio of 60:10:30 to QIBs, Non-Institutional Bidders and Retail Individual Bidders respectively.

GENERAL INFORMATION

Registered Office of our Company	Corporate Office of our Company
JSW Energy Limited Jindal Mansion 5A, Dr. G. Deshmukh Marg Mumbai 400 026 Maharashtra Tel: (91 22) 2351 3000 Fax: (91 22) 2352 6400 Registration Number: 11-77041 Company Identification Number: U74999MH1994PLC077041	**JSW Energy Limited** The Enclave Behind Marathe Udyog Bhavan New Prabhadevi Road Prabhadevi Mumbai 400025 Tel: (91 22) 6783 8000 Fax: (91 22) 2432 0740

Address of Registrar of Companies

Our Company is registered with the Registrar of Companies, Maharashtra situated at the following address:

Registrar of Companies, Maharashtra
100 Everest
Marine Drive
Mumbai 400 002
Tel.: (91 22) 2281 2639

Board of Directors

Our Board comprises the following:

Name and Designation	DIN
Mr. Sajjan Jindal Chairman and Managing Director Executive Director	00017762
Mr. S.S. Rao Joint Managing Director and CEO Executive Director	00150816
Mr. Tilak Raj Bajalia Nominee Director of IDBI Independent Director	02291892
Mr. P. Abraham Independent Director	00280426
Mr. D.J. Balaji Rao Independent Director	00025254
Mr. Chandan Bhattacharya Independent Director	01341570
Mr. J.K. Tandon Non-Executive Director	01282681
Mr. Shailesh F. Shah Non-Executive Director	02568019

For further details of our Directors, see "Our Management" on page 153 of this Red Herring Prospectus.

Company Secretary and Compliance Officer

Our Company Secretary and Compliance Officer is Mr. S. Madhavan. His contact details are as follows:

JSW Energy Limited
The Enclave
Behind Marathe Udyog Bhavan
New Prabhadevi Road
Prabhadevi
Mumbai 400025
Tel: (91 22) 6783 8000
Fax: (91 22) 2432 0740
Email: ipo.jswenergy@jsw.in

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account and refund orders.

Book Running Lead Managers

JM Financial Consultants Private Limited
141, Maker Chambers III
Nariman Point
Mumbai 400 021
Tel: (91 22) 6630 3030/3953 3030
Fax: (91 22) 2204 7185
Email: jswel.ipo@jmfinancial.in
Investor Grievance Id: grievance.ibd@jmfinancial.in
Website: www.jmfinancial.in
Contact Person: Mr. Rohit Pareek
SEBI Registration Number: INM000010361

Kotak Mahindra Capital Company Limited
1st Floor, Bakhtawar
229 Nariman Point
Mumbai 400 021
Tel: (91 22) 6634 1100
Fax: (91 22) 2283 7517
Email: jswel.ipo@kotak.com
Investor Grievance Id: kmccredressal@kotak.com
Website: www.kotak.com
Contact Person: Mr. Chandrakant Bhole
SEBI Registration Number: INM000008704

J.P. Morgan India Private Limited
J.P. Morgan Tower, Off CST Road
Kalina, Santacruz (East)
Mumbai 400 098
Tel: (91 22) 6157 3000
Fax: (91 22) 6157 3911
Email: project_prakash@jpmchase.com
Investor Grievance Id:
investorsmb.jpmipl@jpmorgan.com
Website: www.jpmipl.com
Contact Person: Ms. Shweta M. Kamdar
SEBI Registration No.: INM000002970

Morgan Stanley India Company Private Limited
5F, 55-56,
Free Press House, Free Press Journal Marg
Mumbai 400 021
Tel: (91 22) 6621 0555
Fax: (91 22) 6621 0556
Email: project_prakash@morganstanley.com
Investor Grievance Id: investors_india@morganstanley.com
Website: www.morganstanley.com/indiaofferdocuments
Contact Person: Mr. Mayank Pagaria
SEBI Registration No. : INM000011203

IDFC - SSKI Limited
803/4 Tulsiani Chambers, 8th Floor
Nariman Point
Mumbai 400 021
Tel: (91 22) 6638 3333
Fax: (91 22) 2204 0282
Email: jswenergy.ipo@idfcsski.com
Investor Grievance Id: complaints@idfcsski.com
Website: www.idfcsski.com
Contact Person: Mr. Hiren Raipancholia
SEBI Reg. No. INM000011336

ICICI Securities Limited
ICICI Centre
H. T. Parekh Marg, Churchgate
Mumbai 400 020
Tel: (91 22) 2288 2460/70
Fax: (91 22) 2282 6580
Email: project.prakash@icicisecurities.com
Investor Grievance Id: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Mr. Sumanth Rao
SEBI Registration No: INM 000011179

SBI Capital Markets Limited
202, Maker Towers 'E',
Cuffe Parade,
Mumbai 400 005
Tel: (91 22) 2217 8300
Fax: (91 22) 2218 8332
Email: jswenergy.ipo@sbicaps.com
Investor Grievance Id: investor.relations@sbicaps.com

IDBI Capital Market Services Limited
5th Floor, Mafatlal Centre
Nariman Point
Mumbai 400 021
Tel: (91 22) 4322 1212
Fax: (91 22) 2283 8782
Email: jswenergy.ipo@idbicapital.com
Investor Grievance Id: redressal@idbicapital.com

Website: www.sbicaps.com
Contact Person: Mr. Abhishek Gupta
SEBI Registration No: INM000003531

Website: www.idbicapital.com
Contact Person: Mr. Piyush Bansal
SEBI Registration No: INM000010866

Syndicate Members

JM Financial Services Private Limited
Apeejay House, Third Floor
3 Dinshaw Vaccha Road
Churchgate, Mumbai 400 020
Tel: (91 22) 6704 3184
Fax: (91 22) 6654 1511
E-mail: deepak.vaidya@jmfinancial.in
Website: www.jmfinancial.in
Contact Person: Mr. Deepak Vaidya
SEBI Registration Nos.: BSE: INB011054831
NSE: INB231054835

Kotak Securities Limited
1st Floor, Bakhtawar
229 Nariman Point
Mumbai 400 021
Tel: (91 22) 6652 9191
Fax: (91 22) 6661 7041
Email: umesh.gupta@kotak.com
Website: www.kotak.com
Contact Person: Mr. Umesh Gupta
SEBI Registration Nos.: BSE - INB10808153
NSE - INB230808130

SBICAP Securities Limited
191, Maker Tower F
Cuffe Parade
Mumbai 400 005
Tel: (91 22) 3027 3309
Fax: (91 22) 3027 3402
E-mail: prasad.chitnis@sbicapsec.com
Website: www.sbicapsec.com
Contact Person: Mr. Prasad Chitnis
SEBI Registration Nos.: BSE: INB01105303
NSE: INB231052938

ICICI Securities Limited
ICICI Center, H.T.Parekh Marg
Churchgate
Mumbai 400020
Tel: (91 22) 2288 2460/70
Fax: (91 22) 2282 6580
Email: project.prakash@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Mr. Ranvir Davda
SEBI Registration Nos: BSE: INB011286854
NSE: INB230773037

Sharekhan Limited
A 206, Phoenix House, Second Floor
Senapati Bapat Marg, Lower Parel
Mumbai 400 013
Tel: (91 22) 6748 2000
Fax: (91 22) 2498 2626
Email: pankajp@sharekhan.com
Website: www.sharekhan.com
Contact Person: Mr. Pankaj Patel
SEBI Registration Nos.: BSE: INB011073351
NSE: INB231073330

IDBI Capital Market Services Limited
5th Floor, Mafatlal Centre
Nariman Point
Mumbai 400 021
Tel : (91 22) 4322 1212
Fax : (91 22) 2283 8782
Email : jswenergy.ipo@idbicapital.com
Website : www.idbicapital.com
Contact Person : Mr. Keyur Desai
SEBI Registration Nos. : BSE: INB010706639
NSE: INB230706631

Self Certified Syndicate Banks

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. For details on designated branches of SCSBs collecting the ASBA Bid cum Application Form, please refer the above mentioned SEBI website.

Legal Advisors

Domestic Legal Counsel to the Company

Amarchand & Mangaldas & Suresh A. Shroff & Co.
5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
Tel: (91 22) 2496 4455
Fax: (91 22) 2496 3666

Domestic Legal Counsel to the Underwriters

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

International Legal Counsel to the Underwriters

Latham & Watkins LLP
9 Raffles Place

#42-02 Republic Plaza
Singapore 048619
Tel: + (65) 6536 1161
Fax: + (65) 6536 1171

Registrar to the Issue

Karvy Computershare Private Limited
Plot No. 17-24, Vittal Rao Nagar
Madhapur
Hyderabad 500 081
Tel: (91 40) 2342 0815/ 2342 0816
Fax: (91 40) 2342 0859
Contact Person: Mr. Murali Krishna
Email: jswenergy.ipo@karvy.com
Website: www.karvy.com
SEBI Registration No.: INR000000221

Bankers to the Issue and Escrow Collection Banks

HDFC Bank Limited
Lodha, FIG – OPS Department
I Think Techno Campus, O-3 Level
Kanjurmarg (East)
Mumbai 400 042
Tel: (91 22) 3075 2928
Fax: (91 22) 2579 9801
Email: deepak.rane@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Deepak Rane
SEBI Registration No.: INB100000063

ICICI Bank Limited
Capital Markets Group
No. 30, Mumbai Samachar Marg
Fort
Mumbai 400 001
Tel: (91 22) 3043 7000
Fax: (91 22) 3043 7275
Email: venkataraghavan@icicibank.com
Website: www.icicibank.com
Contact Person: Mr. Venkataraghavan T.A.
SEBI Registration No.: INB100000004

IDBI Bank Limited
Unit No.2, Corporate Park
Near Swastik Chambers, Sion-Trombay Road
Chembur
Mumbai 400 071
Tel: (91 22) 6690 8402
Fax: (91 22) 6690 8424
Email: mn.kamat@idbi.co.in
Website: www.idbibank.com
Contact Person: Mr. M.N. Kamat
SEBI Registration No.: INB100000076

Kotak Mahindra Bank Limited
Kotak Infiniti, 6th Floor, Building No. 21
Infinity Park, Off. Western Express Highway
General A.K. Marg, Malad (East)
Mumbai 400 021
Tel: (91 22) 6605 6631
Fax: (91 22) 6759 5374
Email: Ibrahim.sharief@kotak.com
Website: www.kotak.com
Contact Person: Mr. Ibrahim Sharief
SEBI Registration No.: INB100000927

Punjab National Bank
2nd Floor, PNB House
Sir P.M. Road
Fort
Mumbai 400 001
Tel: (91 22) 2262 1122 / 2262 1123
Fax: (91 22) 2262 1124
Email: pnbcapsmumba@pnb.co.in
Website: www.pnbindia.com
Contact Person: Mr. K.K. Khurana
SEBI Registration No.: INB100000084

State Bank of India
Capital Market Branch, Ground Floor
Mumbai Main Branch Building
Mumbai Samachar Marg, Fort
Mumbai 400 023
Tel: (91 22) 2269 1561 / 2266 2133
Fax: (91 22) 2267 0745 / 2266 4959
Email: rajeev.kumar@sbi.co.in
Website: www.sbi.co.in
Contact Person: Mr. Rajeev Kumar
SEBI Registration No.: INB100000038

Standard Chartered Bank
90, M.G. Road
Fort
Mumbai 400 021
Tel: (91 22) 2268 3955
Fax: (91 22) 2209 2216
Email: joseph.george@sc.com
Website: www.standardchartered.co.in
Contact Person: Mr. Joseph George
SEBI Registration No.: INB100000885

YES Bank Limited
2nd Floor, Teicicon House
Dr. E. Moses Road, Mahalaxmi
Mumbai 400 011
Tel: (91 22) 6622 9232
Fax: (91 22) 2497 4875
Email: dlbtiservices@yesbank.in
Website: www.yesbank.in
Contact Person: Mr. Mahesh Shirali
SEBI Registration No.: INB100000935

Bankers to the Company

ICICI Bank Limited
Corporate Institutional Banking Division,
ICICI Bank Towers,
No. 1, Commissariat Road,
Bangalore 560 025
Tel : (91 80) 4129 6202
Fax : (91 80) 4112 4604
Email: rajeev.k@icicibank.com

State Bank of India, CAG-Central
Corporate Center
3rd Floor, State Bank Bhavan
Madame Cama Road
Mumbai 400 021
Tel: (91 22) 2288 3023
Fax: (91 22) 2281 0962
Email: amt7.cagcen@sbi.co.in

Punjab National Bank
1st Floor, Vokkaligara Sangha Building
Hudson Circle
Bangalore 560 027
Tel: (91 80) 2229 6744
Fax : (91 80) 2212 1145
Email : pnb041@yahoo.com

Vijaya Bank
J.V.S.L., Toranagallu
Bellary
Karnataka
Tel: (91 8395) 250 680
Fax : (91 8395) 250 680
Email: toranagallu1395@vijayabank.co.in

State Bank of Mysore
Industrial Finance Branch
Ramanashree Arcade
No. 18, M.G. Road
Bangalore 560 001
Tel: (91 80) 2558 3653 / 56
Fax : (91 80) 2558 3642
Email: ifbbangalore@sbm.co.in

IDBI Bank Limited
224-A, Mittal Court
"A" Wing, Nariman Point
Mumbai 400 021
Tel: (91 22) 6655 2205
Fax: (91 22) 2218 4699
Email: r.kumar@idbi.co.in

Canara Bank
Prime Corporate Branch
Shankaranarayana Building
25, M.G. Road
Bangalore 560 001
Tel: (91 80) 2559 9017/2559 9015
Fax : (91 80) 2559 9108
Email: mgrblr2636adv@canbank.co.in

Auditors to the Company

M/s. Lodha & Co.
Chartered Accountants
6, Karim Chambers,
40, A. Doshi Marg,
(Hamam Street)
Mumbai 400 023
Tel: (91 22) 2265 1140
Fax: (91 22) 2265 0126
Email: mumbai@bdolodha.com

Monitoring Agency

IDBI Bank Limited
SSD, 14th Floor, IDBI Tower,
Cuffe Parade
Mumbai – 400 005
Tel: (91 22) 6655 2081
Fax: (91 22) 2215 5742
Email: raj.kumar@idbi.co.in
Website : www.idbi.com

The appointment of the Monitoring Agency is pursuant to Regulation 16 of the SEBI Regulations.

Appraising Entities

SBI Capital Markets Limited
Project Advisory & Structured Finance
202, Maker Tower 'E'
Cuffe Parade
Mumbai 400 005
Tel: (91 22) 2217 8505
Email: rekansh.patil@sbicaps.com

ICICI Bank Limited
Global Project Finance
ICICI Bank Tower
Bandra Kurla Complex
Mumbai 400 051
Tel: (91 22) 2653 6578
Email: navneet.singh@icicibank.com

Infrastructure Development Finance Company Limited
401, Naman Chambers
C-32, G Block
Bandra Kurla Complex
Mumbai 400 051
Tel: (91 22) 4222 2031
Email: manjul.chawla@idfc.com

Inter Se Allocation of Responsibilities between the BRLMs

The responsibilities and co-ordination for various activities in 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	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	JM Financial
3.	Drafting and approval of all statutory advertisement	All BRLMs	KMCC
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in 3 above including corporate advertisement, brochure etc.	All BRLMs	KMCC
5.	Appointment of other intermediaries viz., Registrar's, Printers, Advertising Agency and Bankers to the Issue	All BRLMs	KMCC
6.	Preparation of Road show presentation	All BRLMs	KMCC
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	All BRLMs	KMCC
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	I-Sec
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	JM Financial
10.	Co-ordination with Stock Exchanges for Book Building Software, bidding terminals and mock trading.	All BRLMs	KMCC
11.	Finalisation of Pricing, in consultation with the Company	All BRLMs	JM Financial
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	KMCC

Credit Rating

As this is an Issue of Equity Shares, there is no credit rating for this Issue.

IPO Grading

This Issue has been graded by CARE as CARE IPO Grade 4, indicating above average fundamentals through its letter dated September 9, 2009. For details in relation to the report of CARE furnishing rationale for the IPO grading, please refer to Annexure beginning on page 460 of this Red Herring Prospectus. Attention of the Investors is drawn to the disclaimer of CARE appearing on page 2 of the report of CARE.

Experts

Except the report of CARE in respect of the IPO grading of this Issue annexed herewith and except as stated elsewhere in this Red Herring Prospectus, the Company has not obtained any expert opinions.

Trustee

As this is an Issue of Equity Shares, the appointment of Trustees is not required.

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 which will be decided by the Company in consultation with the Book Running Lead Manager and advertised at least two 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;
- The BRLMs;
- Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The Syndicate Members are appointed by the BRLMs;
- Registrar to the Issue;
- SCSB; and
- Escrow Collection Banks.

In accordance with Rule 19(2)(b) of the SCRR, this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be allocated on a proportionate basis to QIBs, out of which 5% (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 Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the 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.

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 not less than 10% of the Bid Amount upon submission of the Bid cum Application Form during the Bid/Issue Period and allocation to QIBs will be on a proportionate basis. For further details, see "Terms of the Issue" on page 388 of this Red Herring Prospectus.

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 to manage the Issue and procure subscriptions to the Issue.

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

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

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

Steps to be taken by the Bidders for Bidding

1. Check eligibility for making a Bid (see “Issue Procedure - Who Can Bid?” on page 395 of this Red Herring Prospectus);

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

3. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction;

4. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form; and

5. Bids by QIBs will only have to be submitted to the BRLMs.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares. In such an event the Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. The Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

In the event that the Company decides not to proceed with the Issue after Bid/ Issue Closing Date, the Company would be required to file fresh draft red herring prospectus with SEBI.

Bid/Issue Programme

BID/ISSUE OPENS ON	**DECEMBER 7, 2009**
BID/ISSUE CLOSES ON	**DECEMBER 9, 2009**

The Company may consider participation by Anchor Investors in terms of the SEBI Regulations. The Anchor

Investor Bid/ Issue Period shall be one day prior to the Bid/ Issue Opening Date.

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m**. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form **except that on the Bid/Issue Closing Date, Bids (excluding the ASBA Bidders) shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time)** and uploaded till (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders and (ii) till until 5.00 p.m. in case of Bids by Retail Individual Bidders. Due to limitation of the time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are advised that due to clustering of last day applications, as is typically experienced in public offerings, some Bids may not get uploaded on the last date. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLMs and Syndicate members will not be responsible. Bids will be accepted only on Business Days. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE. ASBA Bidders cannot revise their Bids.

On the Bid/Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders 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 Form as stated herein and reported by the BRLMs to the Stock Exchange within half an hour of such closure.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

The Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI Regulations provided that the Cap Price is less than or equal to 120% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price.

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

Underwriting Agreement

After the determination of the Issue Price and allocation of our Equity Shares, 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 shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The Underwriting Agreement is dated [•]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

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

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

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten *(Rs. in million)*
JM Financial Consultants Private Limited 141, Maker Chambers III, Nariman Point Mumbai 400 021 Tel: (91 22) 6630 3030/3953 3030; Fax: (91 22) 2204 7185 Email: jswel.ipo@jmfinancial.in	[•]	[•]
Kotak Mahindra Capital Company Limited 1st Floor, Bakhtawar, 229 Nariman Point, Mumbai 400 021	[•]	[•]

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten *(Rs. in million)*
Tel: (91 22) 6634 1100; Fax: (91 22) 2283 7517 Email: jswel.ipo@kotak.com		
ICICI Securities Limited ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai 400 020 Tel: (91 22) 2288 2460/70; Fax: (91 22) 2282 6580 Email: project.prakash@icicisecurities.com	[●]	[●]
IDFC - SSKI Limited 803/4,Tulsiani Chambers, 8th Floor, Nariman Point, Mumbai 400 021 Tel: (91 22) 6638 3333; Fax: (91 22) 2204 0282 Email: jswenergy.ipo@idfcsski.com	[●]	[●]
J.P. Morgan India Private Limited J.P. Morgan Tower, Off CST Road, Kalina, Santacruz (East), Mumbai 400 098 Tel: (91 22) 6157 3000; Fax: (91 22) 6157 3911 Email: project_prakash@jpmchase.com	[●]	[●]
SBI Capital Markets Limited 202, Maker Towers 'E', Cuffe Parade, Mumbai 400 005 Tel: (91 22) 2217 8300; Fax: (91 22) 2218 8332 Email: jswenergy.ipo@sbicaps.com	[●]	[●]
Morgan Stanley India Company Private Limited 5F, 55-56, Free Press House, Free Press Journal Marg, Mumbai 400 021 Tel: (91 22) 6621 0555; Fax: (91 22) 6621 0556 Email: project_prakash@morganstanley.com	[●]	[●]
IDBI Capital Market Services Limited 5th Floor, Mafatlal Centre, Nariman Point, Mumbai 400 021 Tel: (91 22) 4322 1212; Fax: (91 22) 2283 8782 Email: jswenergy.ipo@idbicapital.com	[●]	[●]
JM Financial Services Private Limited Apeejay House, Third Floor, 3 Dinshaw Vaccha Road, Churchgate, Mumbai 400 020 Tel: (91 22) 6704 3184; Fax: (91 22) 6654 1511 E-mail: deepak.vaidya@jmfinancial.in	[●]	[●]
Kotak Securities Limited 1st Floor, Bakhtawar, 229 Nariman Point, Mumbai 400 021 Tel: (91 22) 6652 9191; Fax: (91 22) 6661 7041 Email: umesh.gupta@kotak.com	[●]	[●]
SBICAP Securities Limited 191, Maker Tower F, Cuffe Parade, Mumbai 400 005 Tel: (91 22) 3027 3309, Fax: (91 22) 3027 3402 E-mail: prasad.chitnis@sbicapsec.com	[●]	[●]
ICICI Securities Limited ICICI Center, H.T. Parekh Marg, Churchgate, Mumbai, 400020 Tel: (91 22) 2288 2460/70, Fax: (91 22) 2282 6580 Email: project.prakash@icicisecurities.com	[●]	[●]
Sharekhan Limited A 206, Phoenix House, Second Floor, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 Tel: (91 22) 6748 2000, Fax: (91 22) 2498 2626 Email: pankajp@sharekhan.com	[●]	[●]
IDBI Capital Market Services Limited 5th Floor, Mafatlal Centre, Nariman Point, Mumbai - 400 021 Tel : (91 22) 4322 1212, Fax : (91 22) 2283 8782 Email : jswenergy.ipo@idbicapital.com	[●]	[●]

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 / Committee of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the BRLMs and the Syndicate Members 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/subscribe to Equity Shares to the extent of the defaulted amount in accordance with the underwriting agreement.

CAPITAL STRUCTURE

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

(Rs. in millions, except share data)

	Aggregate nominal value	Aggregate Value at Issue Price
A. Authorised Share Capital		
5,000,000,000 Equity Shares of face value of Rs. 10 each	50,000.00	
B. Issued, Subscribed and Paid Up Share Capital before the Issue		
1,372,728,191 Equity Shares[(1)]	13,727.28	
C. Present Issue in terms of this Red Herring Prospectus [(2)]		
[●] Equity Shares	[●]	[●]
D. Equity Share Capital after the Issue		
[●] Equity Shares	[●]	[●]
E. Share Premium Account		
Before the Issue	567.00	-
After the Issue	[●]	[●]

1. *The Company has allotted 6,300,000 Equity Shares to JSW Group Welfare Trust pursuant to a Pre-IPO Placement through a resolution of the Committee of the Board of Directors dated November 16, 2009.*

2. *The present Issue in terms of this Red Herring Prospectus has been authorized by our Board of Directors and our shareholders, pursuant to their resolutions dated July 21, 2009 and July 27, 2009 respectively.*

Changes in Authorised Share Capital

1. The initial authorised share capital of Rs. 10,000,000 divided into 1,000,000 equity shares of Rs. 10 each was increased to Rs. 4,000,000,000 divided into 400,000,000 equity shares of Rs. 10 each pursuant to resolution of shareholders passed at an EGM held on April 1, 1996.

2. The authorized share capital of Rs. 4,000,000,000 divided into 400,000,000 equity shares of Rs.10 was increased to Rs. 10,000,000,000 divided into 1,000,000,000 equity shares of Rs. 10 each pursuant to resolution of shareholders passed at an EGM held on December 21, 2007.

3. The authorised share capital of Rs. 10,000,000,000 divided into 1,000,000,000 equity shares of Rs. 10 each was increased to Rs. 15,010,000,000 divided into 1,501,000,000 equity shares of Rs. 10 each pursuant to scheme of amalgamation of JSWPTL and JSWEVL with the Company as approved by the High Court of Bombay vide its order dated October 10, 2008.

4. The authorised share capital of Rs. 15,010,000,000 divided into 1,501,000,000 equity shares of Rs. 10 each was increased to Rs. 50,000,000,000 divided into 5,000,000,000 equity shares of Rs. 10 each pursuant to resolution of shareholders passed at an EGM held on July 27, 2009.

Notes to the Capital Structure

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

Equity Share Capital

a) The following is the history of the equity share capital of the Company:

Date of Allotment and when made fully paid up	Number of Equity Shares and nature of Allotment	Face value (Rs.)	Issue Price (Rs.)	Cumulative No. of Equity Shares	Cumulative Share Capital (Rs.)
June 30, 1995	1,200 Equity Shares allotted pursuant to subscription to Memorandum of Association	10	10	1,200	12,000
March 27, 1997	Further Allotment of 184,998,800 Equity Shares to i. Tractebel S.A., - 92,499,400 Equity Shares ii. JSW Steel Limited (Earlier Jindal Vijayanagar Steel Limited) – 55,314,000 Equity Shares iii. Gagan Trading Company Limited – 37,185,400 Equity Shares	10	10	185,000,000	1,850,000,000
March 31, 1998	Further Allotment of 5,40,00,000 Equity Shares to i. Tractebel S.A. - 27,000,000 Equity Shares ii. JSW Steel Limited (Earlier Jindal Vijayanagar Steel Limited) 27,000,000 Equity Shares	10	10	239,000,000	2,390,000,000
December 9, 1998	Further Allotment of 12,000,000 Equity Shares to i. Tractebel S.A. - 6,000,000 Equity Shares ii. JSW Steel Limited (Earlier Jindal Vijayanagar Steel Limited) - 6,000,000 Equity Shares	10	10	251,000,000	2,510,000,000
July 6, 1999	Further Allotment of 38,000,000 Equity Shares to i. Tractebel S.A. - 19,000,000 Equity Shares ii. JSW Steel Limited (Earlier Jindal Vijayanagar Steel Limited) - 19,000,000 Equity Shares	10	10	289,000,000	2,890,000,000
September 28, 2006	Rights Issue of 57,800,000 Equity Shares at the ratio of one Equity Share for every five Equity Shares held	10	10	346,800,000	3,468,000,000
December 28, 2007	Bonus Issue of 167,955,233 Equity Shares at the ratio of 4,843 Equity Shares for every 10,000 Equity Shares held*	10	-	514,755,233	5,147,552,330
December 17, 2008	Allotment of 31,816,044 Equity Shares to 3. JSW Steel Limited 31,192,200 4. JSW Cement Limited 623,844 Pursuant to amalgamation of JSWPTL & JSWEVL	10	-	546,571, 277	5,465,712,770
July 28, 2009	Bonus Issue of 819,856,914 Equity Shares at the ratio of three Equity Shares for every two equity shares**	10	-	1,366,428,191	13,664,281,910
November 16, 2009	Allotment of 6,300,000 Equity Shares to Mr. Manoj Mohta and Mr. R.G. Ramachandran as the Trustees of JSW Group Welfare Trust#	10	100	1,372,728,191	13,727,281,910

* *Bonus Equity Shares have been issued to all our Shareholders, including our Promoter Group, out of general reserves and surplus in profit and loss account by capitalising Rs. 1,679,552,330.*

** *Bonus Equity Shares have been issued to all our Shareholders, including our Promoter Group, out of general reserves and surplus in profit and loss account by capitalising Rs. 8,198,569,140.*

The JSW Group Welfare Trust, whose benefeciaries are employees of the companies constituting the JSW Group and business associates of the JSW Group, was allotted shares as part of the Pre-IPO Placement.

b) The following shares were allotted for consideration other than in cash;

Date of Allotment and when made fully paid up	Number of Equity Shares and nature of Allotment	Face value (Rs.)	Issue Price (Rs.)	Benefits accrued to the Company pursuant to the allotment
December 28, 2007	Bonus Issue of 167,955,233 Equity Shares at the ratio of 4,843 Equity Shares for every 10,000 Equity Shares**	10	-	Nil
December 17, 2008	Allotment of 31,816,044 Equity Shares to 1. JSW Steel Limited 31,192,200 2. JSW Cement Limited 623,844 Pursuant to amalgamation of JSWPTL & JSWEVL#	10	-	Nil
July 28, 2009	Bonus Issue of 819,856,914 Equity Shares at the ratio of three Equity Shares for every two equity shares*	10	-	Nil

For further details, see "History and Certain Corporate Matters – Scheme of Amalgamation" on page 147 of this Red Herring Prospectus.

* *Bonus Equity Shares have been issued to all our Shareholders, including our Promoter Group, out of general reserves and surplus in profit and loss account by capitalising Rs. 8,198,569,140.*

** *Bonus Equity Shares have been issued to all our Shareholders, including our Promoter Group, out of general reserves and surplus in profit and loss account by capitalising Rs. 1,679,552,330.*

c) The following shares were allotted for a price lower than the issue price during the preceding one year##:

Date of Allotment and when made fully paid up	Number of Equity Shares and nature of Allotment	Face value (Rs.)	Issue Price (Rs.)
December 17, 2008	Allotment of 31,816,044 Equity Shares** to 1. JSW Steel Limited 31,192,200 2. JSW Cement Limited 623,844 Pursuant to amalgamation of JSWPTL & JSWEVL#	10	-
July 28, 2009	Bonus Issue of 819,856,914 to the existing Shareholders at 3 Equity Shares for every 2 equity shares*	10	-

* *Bonus Equity Shares have been issued to all our Shareholders, including our Promoter Group, out of general reserves and surplus in profit and loss account by capitalising Rs. 8,198,569,140.*

** *JSWSL and JSWCL are part of our Promoter Group.*

For further details, see "History and Certain Corporate Matters – Scheme of Amalgamation" on page 147 of this Red Herring Prospectus.

The Company has made a Pre-IPO Placement at an issue price of Rs. 100 per shares. In case the same is below the Issue Price, the table will be suitable amended.

History of Equity Shares held by the Promoters

The Equity Shares held by the Promoters were acquired/ allotted in the following manner:

Sr. No	Date of Allotment /Transfer	Allotment/ Transfer	Consideration (Cash, Bonus, kind, etc.)	No. of Shares	Face Value (Rs.)	Issue / Acquisition Price (Rs.)	% of Pre Issue Paid Up Capital	% of Post Issue Paid Up Capital	Pledged Shares	
									No.	%
Mr. Sajjan Jindal (A)										
i.	September 28, 2006	Allotment	Cash	10,300,280	10	6.22*	0.75	[●]	-	-
ii.	December 28, 2007	Allotment	Bonus	19,517,425	10	-	1.42	[●]	-	-
iii	July 28, 2009	Allotment	Bonus	44,726,557	10	-	3.26	[●]	-	-
			Total (A)	**74,544,262**[1]			**5.43**	**[●]**	-	-
Mr. Prithvi Raj Jindal (B)										
i.	June 30, 1995	Allotment	Cash	100	10	2.70*	0.00	0.00	-	-
ii.	December 28, 2007	Allotment	Bonus	48	10	-	0.00	0.00	-	-
iii	July 28, 2009	Allotment	Bonus	222	10	-	0.00	0.00	-	-
			Total (B)	**370**	**10**		**0.00**	**0.00**	**-**	**-**
Mrs. Sangita Jindal (C)										
i.	March 05, 2006	Transfer	Cash	500	10	22.37*	0.00	[●]	-	-
ii.	September 28, 2006	Allotment	Cash	17,499,500	10	6.22*	1.27	[●]	-	-
iii.	December 28, 2007	Allotment	Bonus	8,475,250	10	-	0.62	[●]	-	-
iv.	July 28, 2009	Allotment	Bonus	38,962,875	10	-	2.84	[●]	-	-
			Total (C)	**64,938,125**	**10**	**[●]**	**4.73**	**[●]**	**-**	**-**
JSW Investments Private Limited (D)										
i	January 9, 2007	Transfer	Cash	144,499,400	10	22.10*	10.53	[●]	16,140,000	1.18
ii	December 28, 2007	Allotment	Bonus	69,981,059	10	-	5.10	[●]		
iii	July 28, 2009	Allotment	Bonus	321,720,688	10	-	23.44	[●]		
			Total (D)	**536,201,147**	**10**		**39.07**	**[●]**	**16,140,000**	**1.18**
Sun Investments Private Limited (E)										
i.	December 12, 2001	Transfer	Cash	3,780,000	10	23.55*	0.28	[●]	61,815,525	4.50
ii.	December 17, 2002	Transfer	Cash	5,380,000	10	23.55*	0.39	[●]		
iii.	December 20, 2004	Transfer	Cash	55,000,000	10	7.21*	4.01	[●]		
iv.	December 20, 2004	Transfer	Cash	8,842,000	10	9.71*	0.64	[●]		
v.	December 28, 2007	Allotment	Bonus	35,354,868	10	-	2.57	[●]		
vi.	July 28, 2009	Allotment	Bonus	162,535,302	10	-	11.84	[●]		
			Total (E)	**270,892,170**[2]	**10**		**19.73**	**[●]**	**61,815,525**	**4.50**
			Grand Total	**881,637,949**			**68.96**	**[●]**	**77,955,525**	**5.68**

(1) *Net of a gift made by Mr. Sajjan Jindal of 30,000,000 Equity Shares on August 19, 2008.*

(2) *Net of sales made by SIPL of 13,158,000 Equity Shares and 16,000,000 Equity Shares on April 25, 2005 and October 7, 2005 respectively.*

* *Consequent to the demerger of JSWEIPL from JSWEL the cost of acquisition has reduced.*

2. **Promoters' Contribution and Lock-in**

Pursuant to the SEBI Regulations, an aggregate of 20% of the post-Issue equity share capital of the Company shall be locked in by the Promoters for a period of three years from the date of Allotment in the Issue. The Equity Shares, which are being locked-in, are not ineligible for computation of Promoter's contribution under the SEBI Regulations. Equity shares offered by Promoters and offered for minimum promoter contribution are not subject to pledge.

a. Details of the Equity Shares forming part of Promoters' contribution, which shall be lock-in for three years, are as follows:

Date of Allotment/ Acquisition	Consideration and Equity Share) (Rs.)	No. of Equity Shares	Issue / Acquisition Price (Rs.)	% of Pre-Issue paid-up capital	% of Post-Issue paid-up capital
JSW Investments Private Limited					
[●]	[●]	[●]	[●]	[●]	[●]
Sun Investments Private Limited					
[●]	[●]	[●]	[●]	[●]	[●]

The Promoters' contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI Regulations.

b. Details of pre-Issue Equity Share capital locked in for one year:

In terms of the SEBI Regulations, in addition to the lock-in of 20% of the post-Issue shareholding of the Promoters for three years, as specified above, the balance pre-Issue share capital of the Company ([●] Equity Shares) shall be locked-in for a period of one year from the date of Allotment in the Issue. The Promoters have given an undertaking whereby they have consented to offer such number of Equity Shares held by them to be considered as promoters' contribution which aggregate to 20% of the post-Issue equity share capital and are locked-in for a period of three years from the date of Allotment. Further, the Promoters have consented to not sell/transfer/dispose of in any manner, Equity Shares forming part of the Promoters' contribution from the date of filing the Red Herring Prospectus till the date of commencement of lock-in as per the SEBI Regulations.

In terms of the SEBI Regulations, the locked-in Equity Shares held by the Promoters can be pledged only with banks or financial institutions as collateral security for any loans granted by such banks or financial institutions, provided that the pledge of shares is one of the conditions under which the loan is sanctioned. Further, Equity Shares locked in as minimum promoters' contribution may be pledged only in respect of a financial facility which has been granted for the purpose of financing one or more of the objects of the Issue.

In terms 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 the Equity Shares which are locked-in as per the SEBI Regulations, subject to the continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

Further, in terms of the SEBI Regulations, the Equity Shares held by the Promoters may be transferred to another Promoter or any person of the Promoter Group or a new promoter or a person in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

c. Lock in of Equity Shares Allotted to Anchor Investors

Equity Shares, if 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.

3. **Shareholding Pattern of the Company**

(i) The table below presents the shareholding pattern of Equity Shares before and after the proposed Issue:

Category code	Category of shareholder	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 of (A+B+C)	Number of Shares	As a percentage
(A)	**Promoter and Promoter Group**							
(1)	**Indian**							
(a)	Individuals/ Hindu Undivided Family	10	214,489,802	214,489,062	15.63	15.63	0	0
(b)	Central Government/ State Government(s)	0	0	0	0	0	0	0
(c)	Bodies Corporate	11	1,043,740,342	1,043,739,972	76.03	76.03	98,599,890	7.18
(d)	Financial Institutions/ Banks	0	0	0	0	0	0	0
(e)	Any Other (specify)	0	0	0	0	0	0	0
	Sub-Total (A)(1)	**21**	**1,258,230,144**	**1,258,229,034**	**91.66**	**91.66**	**98,599,890**	**7.18**
(2)	**Foreign**							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0
(b)	Bodies Corporate	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0
(d)	Any Other (specify)	0	0	0	0	0	0	0
	Sub-Total (A)(2)	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**21**	**1,258,230,144**	**1,258,229,034**	**91.66**	**91.66**	**98,599,890**	**7.18**
(B)	**Public shareholding**							
(1)	**Institutions**							
(a)	Mutual Funds/UTI	0	0	0	0	0	0	0
(b)	Financial Institutions/ Banks	0	0	0	0	0	0	0
(c)	Central Government/ State Government(s)	0	0	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0	0	0
(f)	Foreign Institutional Investors	0	0	0	0	0	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0

Category code	Category of shareholder	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 of (A+B+C)	Number of Shares	As a percentage
(h)	**Any Other (specify)**							
	Non-Resident Incorporated Entity	2	108,198,047	108,198,047	7.88	7.88	0	0
	Sub-Total (B)(1)	2	108,198,047	108,198,047	7.88	7.88	0	0
(2)	**Non-institutions**							
(a)	Bodies Corporate	0	0	0	0	0		
(b)	Individuals - i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	0	0	0	0	0	0	0
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	0	0	0	0	0	0	0
(c)	Any Other (specify)							
	Trust	1	6,300,000	6,300,000	0.46	0.46		
	Sub-Total (B)(2)	1	6,300,000	6,300,000	0.46	0.46		
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**3**	**114,498,047**	**114,498,047**	**8.34**	**8.34**	0	0
	TOTAL (A)+(B)	**24**	**1,372,728,191**	**1,372,727,081**	**100.00**	**100.00**	**98,599,890**	**7.18**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	**0**	0	0	N.A		N.A	N.A
	GRAND TOTAL (A)+(B)+(C)	**24**	**1,372,728,191**	**1,372,727,081**	**100.00**	**100.00**	**98,599,890**	**7.18**

4. The Company, the Directors and the BRLMs have not entered into any buy-back and/or standby arrangements for purchase of Equity Shares from any person.

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

(a) As of the date of filing of the Red Herring Prospectus:

S. No.	Name of Shareholders	Number of Equity Shares	Percentage Shareholding
1.	JSW Investments Private Limited	536,201,147	39.06
2.	Sun Investments Private Limited	270,892,170	19.73
3.	Vrindavan Services Private Limited	110,146,190	8.02
4.	JSW Steel Limited	77,980,500	5.68
5.	Mr. Sajjan Jindal	74,544,262	5.43
6.	Mrs. Sangita Jindal	64,938,125	4.73
7.	Steel Traders Limited, Mauritius	59,372,000	4.33
8.	Indus Capital Group Limited, Mauritius	48,826,047	3.56

S. No.	Name of Shareholders	Number of Equity Shares	Percentage Shareholding
9.	Gagan Trading Company Limited	46,959,910	3.42
10.	a) Ms. Tarini Jindal	25,002,225	1.82
	b) Ms. Tanvi Jindal	25,002,225	1.82
	c) Mr. Parth Jindal	25,002,225	1.82

(b) Ten days prior to filing of this Red Herring Prospectus:

S. No.	Name of Shareholders	Number of Equity Shares	Percentage Shareholding
1.	JSW Investments Private Limited	536,201,147	39.24
2.	Sun Investments Private Limited	270,892,170	19.82
3.	Vrindavan Services Private Limited	110,146,190	8.06
4.	JSW Steel Limited	77,980,500	5.71
5.	Mr. Sajjan Jindal	74,544,262	5.46
6.	Mrs. Sangita Jindal	64,938,125	4.75
7.	Steel Traders Limited, Mauritius	59,372,000	4.35
8.	Indus Capital Group Limited, Mauritius	48,826,047	3.57
9.	Gagan Trading Company Limited	46,959,910	3.44
10.	a).Ms. Tarini Jindal	25,002,225	1.83
	b).Ms. Tanvi Jindal	25,002,225	1.83
	c).Mr. Parth Jindal	25,002,225	1.83

(c) Two years prior to filing the Red Herring Prospectus:

S. No.	Name of Shareholders	Number of Equity Shares	Percentage Shareholding
1.	JSW Investments Private Limited	144,499,400	41.67
2.	Sun Investments Private Limited	73,002,000	21.05
3.	Mr. Sajjan Jindal	40,300,280	11.62
4.	Vrindavan Services Private Limited	29,683,000	8.56
5.	Mrs. Sangita Jindal	17,500,000	5.05
6.	Steel Traders Limited, Mauritius	16,000,000	4.61
7.	Indus Capital Group Limited, Mauritius	13,158,000	3.79
8.	Gagan Trading Company Limited	12,655,100	3.65
9.	a). Ms. Tarini Jindal	600	0.00
	b). Ms. Tanvi Jindal	600	0.00
	c). Mr. Parth Jindal	600	0.00
10.	Jindal South West Holdings Limited	120	0.00

6. None of our Directors or key managerial personnel hold Equity Shares in the Company, except as stated in the section titled "Our Management" beginning on page 153 of this Red Herring Prospectus.

7. The Promoter Group, the directors of the Promoters, the Directors of the Company and their immediate relatives have not purchased or sold any Equity Shares during a period of six months preceding the date on which this Red Herring Prospectus is filed with SEBI.

8. The Company, the Directors, the Promoters or the Promoter Group shall not make any, direct or indirect, payments, discounts, commissions or allowances under this Issue, except as disclosed in this Red Herring Prospectus.

9. 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 investor.

10. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares.

11. There will be no 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 Red Herring Prospectus with SEBI until the Equity Shares have been listed.

12. The Company presently does not intend or propose to alter the 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 that 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 acquisitions or participation in such joint ventures.

13. An over-subscription to the extent of 10% of the net offer to public, subject to permissible limit, can be retained for the purpose of rounding off to the nearer multiple of minimum allotment lot.

14. 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.

15. As of the date of filing of this Red Herring Prospectus the total number of holders of the Equity Shares is 24.

16. The Company has not raised any bridge loans against the proceeds of the Issue.

17. We have not issued any Equity Shares out of revaluation reserves. We have not issued any Equity Shares for consideration other than cash except as stated above.

18. As per the RBI regulations, OCB's are not allowed to participate in the Issue.

19. 16,140,000 Equity Shares held by JSWIPL and 61,815,525 Equity Shares held by SIPL, our promoters and 20,644,365 Equity Shares held by Vrindavan Services Private Limited, one of our promoter group companies, are subject to pledge, an aggregate of 17,500,000 Equity Shares held by Mrs. Sangita Jindal one of our Promoter and an aggregate of 39,447,500 Equity Shares held by Gagan Trading Company Limited and Vrindavan Services Private Limited, our Promoter Group members, are subject to a non-disposal undertaking. JSWIPL has issued an undertaking to maintain its investments in the Equity Shares it holds in the Company free from encumbrance and pledge, of at least 1.25 times of the aggregate of the outstanding senior rupee loan of Rs.5,000 million sanctioned by senior lenders to JSW Jaigarh Port Limited.

20. 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 and the Designated Stock Exchange. If at least 60% of the Issue is not allocated to the QIBs, the entire subscription monies shall be refunded.

    For further details, see "Issue Structure" beginning on page 391 of this Red Herring Prospectus.

OBJECTS OF THE ISSUE

We intend to utilise the Issue Proceeds, after deducting the underwriting and issue management fees, selling commissions and other expenses associated with the Issue (the "Net Proceeds") for the following objects:

1. To partially finance construction and development of the Identified Projects aggregating to 2,790 MW in capacity; 400 KV transmission project and mining venture.

2. Repayment of corporate debt; and

3. General Corporate Purposes.

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.

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

(Rs. in million)

Particulars	Amount
Gross proceeds of the Issue	[●]
Issue related expenses	[●]
Net Proceeds of the Issue	[●]

Utilisation of the Net Proceeds

The intended use of Net Proceeds is summarized in table below:

(Rs. in million)

Project/Activity	Amount
Finance construction and development of the Identified Projects	21,425.26
Repayment of Corporate Debt	4,700.00
General Corporate Purposes (1)	[●]
Total	[●]

(1) Amount for general corporate purposes will be decided after the finalisation of the 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, escalation in costs, changes in design or configuration of the project, incremental rehabilitation, changes in regulations or regulatory approvals, other preoperative expenses and other external factors which may not be within the control of our management. This may entail revising the planned expenditure and deployment schedule for the Identified Projects. See "Risk Factors" on page xiii of this Red Herring Prospectus. 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 incremental debt or cash available with us. 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 from other projects within the Identified Projects, to the projects where such shortfall has arisen.

Also see, "Risk Factors- We may not be able to raise additional capital to fund the balance of costs for Identified Projects which may have a material adverse impact on our project costs and schedules and in turn on our business, financial condition and results of operations" on page xv of this Red Herring Prospectus.

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 utilisation 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 utilisation 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.

The Company is implementing projects through its subsidiaries, for various reasons, which include:

- optimising operational efficiency;
- availing various fiscal and other benefits;
- diversification of risk;
- independent assessment for participating in bids for power supply;
- ease of availing finance; and
- efficiency in supervising the projects.

Funding the Projects

We intend to fund an aggregate amount of Rs. 21,425.26 million from the Net Proceeds to partially finance the development of the Identified Projects aggregating to 2,790 MW, 400 KV Transmission project and mining venture. These projects shall be funded either by way of contribution towards share capital or shareholder loan or a combination of the two. The particular composition and schedule of deployment of the investment will be determined by our Board based on the progress of the development of the Identified Projects. The Company will receive dividends on the shares held by it in its subsidiaries, if and when declared by the subsidiaries. The Company may also receive interests on the amounts contributed to the subsidiaries as loans. All of our Identified Projects are in different stages of implementation and we may deploy funds from internal accruals/loans in the Identified Projects during the interim period (from July 1, 2009 till receipt of proceeds in IPO), which will be recovered from the Issue proceeds on completion of the IPO. The projects for which the Net Proceeds is proposed to be utilized is set out below ("Identified Projects"):

S. No.	Name of the Project	Capacity	Location
1.	Ratnagiri	1,200 MW	Maharashtra
2.	RWPL Phase I	1,080 MW	Rajasthan
3.	RWPL Phase II	270 MW	Rajasthan
4.	Kutehr	240 MW	Himachal Pradesh
5.	JPTL	400 KV	Maharashtra
6.	BLMCL	7 MTPA	Rajasthan

Our Ratnagiri project is being developed by our wholly owned subsidiary, JSWERL, our RWPL Phase I and RWPL Phase II projects are being developed by another wholly owned subsidiary, RWPL and our Kutehr project is being developed by the Company itself. Transmission project is being developed by our subsidiary JPTL in which we will hold 74% of the equity shares. Our mining venture at Rajasthan is being developed by BLMCL in which our wholly owned subsidiary RWPL holds 49% of the equity shares.

Cost of the Identified Projects

(Rs. in million)

Sr. No.	Name of Project	Estimated Cost	Annual break up of the utilisation of Estimated Cost					Amount deployed as of October 31, 2009	Balance Amount Proposed to be infused from Net Proceeds @@@	Amount proposed to be financed through third party debt
			Fiscal 2010, after October 31, 2009	Fiscal 2011	Fiscal 2012	Fiscal2013	Fiscal 2014 onwards			
1	Ratnagiri	45,000.00	11,330.90	5,803.00	0.00	0.00	0.00	27,866.10*	4,189.30	33,750.00##
2	RWPL Phase 1	50,000.00	6,764.60	2,836.00	0.00	0.00	0.00	40,399.40*	2,876.60	37,500.00##
3	RWPL Phase 2	13,500.00	750.00	3,675.00	5,025.00	3,432.40	0.00	617.60*	2,757.40	10,125.00
4	Kutehr	19,152.00	147.80	3,174.90	4,000.00	4,000.00	7,700.00	129.30#	8,228.40	10,800.00
5	JPTL	5,800.00**	2,606.80	1,000.00	0.00	0.00	0.00	2,193.20@	496.00	4,350.00##
6	BLMCL	7,105.36***	1,577.56	2,335.00	0.00	0.00	0.00	3,192.80@@	2,877.56	3,270.00
	Total	**140,557.36**	**23,177.66**	**18,823.90**	**9,025.00**	**7,432.40**	**7,700.00**	**74,398.40**	**21,425.26**	**99,795.00**

*	*As certified by, Shah Gupta & Co., Chartered Accountants in their certificate dated November 13, 2009 for RWPL Phase-I, RWPL Phase-II and Ratnagiri.*
**	*Includes Rs. 377 million to be infused by MSETCL.*
***	*Includes Rs.102 million infused by RSMML towards equity for consideration other than cash.*
#	*As certified by M/s Lodha & Co., Chartered Accountants in their certificate dated November 14, 2009.*
@	*Includes Rs.152.20 million already deployed by MSETCL. As certified by, M/s I. Quershi & Associates., Chartered Accountants in their certificate dated November 16, 2009.*
@@	*Includes Rs.102 million already deployed by RSMML towards equity for consideration other than cash. As certified by, M/s Vipul Singhal & Co., Chartered Accountants in their certificate dated November 14, 2009, funds deployed is Rs. 3,090.80 million excluding Rs. 102 million deployed by RSMML.*
##	*Includes Rs. 19,135.40 million, Rs. 29,817.90 million and Rs. 1,464.00 million already deployed for Ratnagiri, RWPL Phase-1 and JPTL respectively*
@@@	*Includes amount infused since July 1, 2009 in Ratnagiri, RWPL Phase I, Kutehr and BLMCL of Rs.1,670.00 million, Rs. 958.10 million, Rs. 5.70 million and Rs,2,235.00 million respectively. The same is proposed to be recovered from the Net Proceeds of the Issue.*

Means of Finance

(Rs. in million)

Means of Finance	Amount
Debt	99,795.00
From Net Issue proceeds*	21,425.26
Internal accruals/ Equity Contribution** (incurred as of June 30, 2009)	19,112.30
Internal Accruals/ Equity Contribution*** (to be incurred)	224.80
Total	**140,557.36**

* *Includes amount infused since July 1, 2009 in Ratnagiri, RWPL Phase I, Kutehr and BLMCL of Rs.1,670.00 million, Rs. 958.10 million, Rs. 5.70 million and Rs. 2,235.00 million respectively. The same is proposed to be recovered from Net Issue Proceeds.*

** *Includes contribution of Rs. 152.20 million from MSETCL in respect JPTL and Rs.102 million from RSMML in respect of BLMCL.*

*** *Includes contribution of Rs. 224.80 million required from MSETCL in respect JPTL.*

Funding Arrangement

The total funds required for the Identified Projects are Rs. 140,557.36 million. 79.50% of the stated means of finance, excluding Net Proceeds of the Issue have been arranged as follows:

(in Rs. million)

Particulars	Amount	
Total Project Cost		140,557.36
Expected funding through the proceeds of the Issue		21,425.26
Funding required excluding the proceeds of the Issue		119,132.10
75% of the funds required excluding the proceeds of the Issue		89,349.08
Total Funds tied up		
Loans Agreements entered into: - Loan Agreement dated August 2, 2007 - Loan Agreement dated September 3, 2007 - Loan Agreement dated August 2, 2007	75,600.00	
Internal Accruals	19,112.30	
Total		**94,712.3**

The following are the details of loans / letters of intent from banks and financial institutions availed in respect of the Identified Projects:

(in Rs. million)

S. No.	Name of the Bank/ Financial Institution	Project	Total Amount sanctioned	Amount outstanding as of October 31, 2009
1.	State Bank of India and consortium (Loan agreement dated August 2, 2007)	Ratnagiri, Maharashtra	33,750.00	19,135.40
2.	ICICI Bank Limited and consortium (Loan Agreement dated September 3, 2007)	RWPL Phase I, Rajasthan	37,500.00	29,817.90
3.	ICICI Bank Limited (Letter of Intent dated December 28, 2007)*	RWPL Phase II, Rajasthan	10,125.00	NIL
4.	ICICI Bank Limited (Letter of Intent dated December 27, 2007)**#	Kutehr, Himachal Pradesh	10,800.00	NIL
5.	State Bank of India and consortium	JPTL	4,350.00	1,464.00

S. No.	Name of the Bank/ Financial Institution	Project	Total Amount sanctioned	Amount outstanding as of October 31, 2009
	(Loan agreement dated August 2, 2007)			
6.	Industrial Development Finance Corporation (Letter of Intent dated August 29, 2007)##	BLMCL	3,270.00	NIL
	Total		**99,795.00**	**50,417.30**

* *The Letter of Intent from ICICI has expired on April 27, 2008. We have approached ICICI for revalidation of the Letters of Intent.*

** *The Letter of Intent from ICICI has expired on April 26, 2008. We have approached ICICI for revalidation of the Letters of Intent.*

\# *SNC Lavalin has prepared the DPR for the Project based on the hydrological data available and has recommended setting up of 240 MW project and has estimated the project cost of Rs. 19,152.00 million in place of earlier estimation of 260 MW power plant with project cost at Rs. 14,400 million. The Project Report has been submitted to CEA for approval. The Project cost for the Kutehr Project may change in case of any revision in Project cost by CEA. We shall fund any escalation in project costs, by way of equity contribution.*

\## *The terms and conditions of the letter of intent were subsequently changed on June 23, 2008, which have been accepted by the Company within the validity period.*

In view of same, the Company has made firm arrangements (as envisaged by Regulation 4(2)(g) of the SEBI Regulations) for financing at least 75% of the financing requirements for the Identified Projects, after taking into account the financing proposed to be made out of the Net Proceeds of the Issue. For more details on the loan agreements mentioned above, see the section titled "Financial Indebtedness" on page 336 of this Red Herring Prospectus.

Also see, "Risk Factors – We may not be able to raise additional capital to fund the balance of costs for Identified Projects which may have a material adverse impact on our project costs and schedules and in turn on our business, financial condition and results of operations" on page xv of this Red Herring Prospectus.

For the schedule of implementation of the Projects, see the section "Our Business" beginning on page 76 of this Red Herring Prospectus.

Description of Power Projects

1. 1,200 MW coal based power project in Ratnagiri (Maharashtra)

Our 1,200 MW coal based power project in Ratnagiri has been appraised by SBI Capital Markets Limited in accordance with the Information Memorandum dated December, 2006 issued by it. The cost of setting up the 1200 MW power plant is estimated at Rs. 45,000.00 million and is proposed to be financed at a debt to equity ratio of 75:25. For more details on the project and its status, please refer to the section titled "Our Business — Projects Under Construction — JSW Energy Ratnagiri Limited ("JSWERL") – 1,200 MW Coal-Fired Power Plant, Ratnagiri, Maharashtra" on page 86 of the Red Herring Prospectus. Further, for details in relation to JSWERL, the subsidiary undertaking this project, and its financial statements for the last five years, see, "Our Subsidiaries" and "Financial Statements of JSWERL, RWPL, JPTL AND BLMCL" on pages 148 and 301 of the Red Herring Prospectus.

The detailed break down of project cost as appraised by SBI Capital Markets Limited is as follows:

(Rs. in million)

Particulars	Total
Land	81.30
Site improvement /Civil / structural works	6,507.50
Plant and machinery	30,553.00
Financing cost and interest during construction	4,424.60
Preoperative and preliminary expenses	996.50
Margin money for working capital	1,350.00
Contingency	1,087.10
Total Project Cost	**45,000.00**

Land

See "Our Business - Projects Under Construction - JSWERL – 1,200 MW Coal-Fired Power Plant, Ratnagiri, Maharashtra – Property" on page 86 of this Red Herring Prospectus.

Site improvement /Civil / structural works

The cost of site development, inclusive of boundary walls, roads and drainage has been estimated at Rs. 525 million.

The civil and structural works will consist of station building, fuel storage and handling system, cooling water system, chimney, switchyard and other auxiliary buildings. The civil cost also includes residential colony for construction and operating personnel.

Plant and Machinery

This head includes cost of Boiler, Turbine and Generator (BTG) contract and cost of balance of the plant. The cost of plant and machinery is inclusive project implementation expenses, other electrical cost, erection and commissioning, supervision related expenses, etc. No second hand plant and machinery have been ordered for the project.

Details of Plant and Machinery ordered:

Sl. No.	Name of Contractor	Type of Plant & Machinery	Date of Order Placement
1.	Shanghai Electric Group Company Limited	Boiler Turbine & Generator	May 10, 2007
2.	Voith Turbo Private Limited	Hydraulic Coupling	April 21, 2008
3.	Arun Construction	Boiler Insulation	May 22, 2009
4.	EDAC Engineering Limited	Balance of Plant Equipments / System	April 24, 2008

The supply of these machineries is in progress.

Financing cost and interest during construction

IDC has been computed based on the capital phasing schedule as per the means of finance.

Preoperative and preliminary expenses

This head includes development cost, establishment expenses, legal and audit expense, construction insurance, etc.

Contingency

The contingency provision is expected to cover any increase in project cost.

Means of Finance

The proposed means of financing for the project is as follows:

(Rs. in million)

Particulars	Amount
Equity	11,250.00
Debt	33,750.00
Total	**45,000.00**

Implementation schedule of the project

S. No.	Particulars	Estimated Date of Completion/Status*
1.	Land and site development	Completed
2.	Technical and engineering work	December 2009

S. No.	Particulars	Estimated Date of Completion/Status*
3.	Civil work	July 2010
4.	Installation of equipment	September 2010
5.	Trial run	September 2010
6.	Date of commercial operation	October 2010

** Internal Estimates*

2. 1,080 MW Lignite based power project in Barmer (Rajasthan)

The Phase-I Project has been appraised by ICICI Bank Limited in accordance with the Information Memorandum dated December 2006 issued by it. The cost of setting up the power plant is estimated at Rs. 50,000.00 million and is proposed to be financed at a debt to equity ratio of 75:25. For more details on the project and its status, please refer to the section titled "Our Business — Projects Under Construction — Raj WestPower Limited ("RWPL") Phase I– 1,080 MW Lignite-Fired Power Plant, Barmer, Rajasthan" on page 89 of the Red Herring Prospectus. Further, for details in relation to RWPL, the subsidiary undertaking this project, and its financial statements for the last five years, see, "Our Subsidiaries" and "Financial Statements of JSWERL, RWPL, JPTL AND BLMCL" on pages 148 and 301 of the Red Herring Prospectus.

The detailed break down of project cost as appraised by ICICI Bank Limited is as follows:

(Rs. in million)

Particulars	Total
Land, Civil works and Infrastructure	7,965.00
Plant and machinery	27,722.70
Balance of plant	6,587.80
Financing cost and interest during construction	4,705.00
Preoperative and preliminary expenses	621.40
Contingency	2,398.10
Total Project Cost	**50,000.00**

Land, Civil works and Infrastructure

See "Our Business - Projects Under Construction - RWPL – 1,080 MW Lignite-Fired Power Plant, Barmer, Rajasthan – Property" on page 89 of this Red Herring Prospectus.

The civil works and infrastructure primarily includes main plant civil and structural work, development of water supply system, construction of the colony, etc. The cost estimates are based on the prevailing rates for civil and structural work at Barmer.

Plant and machinery

The complete plant and machinery is proposed to be procured through various contract packages. This head includes (i) Boiler, Turbine and generator package (ii) Erection testing and commissioning; (iii) freight and insurance transits; (iv) taxes and duties; (v) design engineering; (vi) initial spares; and (vii) project implementation expenses. No second hand plant and machinery have been ordered for the project.

Details of Plant and Machinery Ordered:

Sl. No.	Name of Contractor	Type of Plant & Machinery	Date of Order Placement
1.	Dongfang Electirc Corporation	Boiler Turbine & Generator	March 9, 2007
2.	Larsen & Toubro Limited	BTG Erection	November 20, 2007
3.	Swastik Metal Distributor	Foundation Bolt	October 16, 2007
4.	Swastik Lloyds Engineering Private Limited	Man Power of Welder, Grinder, Rigger, Fitter, Gas Cutter Etc.	July 28, 2008
5.	Padmaja System & Services Private Limited	Refractory work	December 4, 2008
6.	Dee Development Engineering Private Limited	Seamless Pipe Purchased	February 4, 2009

Sl. No.	Name of Contractor	Type of Plant & Machinery	Date of Order Placement
7.	Aakanksha Enterprises	Supply of Meter	December 27, 2008
8.	Ambala Coach Builders	Supply Of Fire Tender-Body	April 22, 2008
9.	Balaji Systems	Supply of PH Transmitter	January 8, 2009
10.	Beacon Weir Limited	ACW Horizontal Pumps	July 8, 2008
11.	Beacon Weir Limited	Pumps (Hori. Hot well make up & Boiler fill pump)	July 21, 2008
12.	CADD Center India Private Limited	Purchase of Computers & Plotter machine	March 6, 2007
13.	Capital Controls India Private Limited	CW/RW/PW Chlorination & Dosing System	November 27, 2007
14.	Eco Green Infrastructures	Eco Green Infrastructures	September 11, 2008
15.	Flexocon Engineers	Expansion Bellow	March 14, 2008
16.	Gannon Dunkerley & Company Limited	Pre Treatment Plant-Supply	November 2, 2007
17.	GMW Engineers Private Limited	Manufacturing, packing & supply of Stop Log Gates & Coarse Screens	July 5, 2008
18.	Grand Tech Project Private Limited	LP Piping work	October 21, 2008
19.	Indiana Gratings Private Limited	M.S Granting Purchase	February 19, 2009
20.	Khalsa Engineering Works	LP Piping work	November 5, 2008
21.	Kirloskar Brothers Limited	Supply Of Butterfly Valves	March 26, 2008
22.	Kirloskar Brothers Limited	Supply Of Butterfly Valves	June 25, 2008
23.	Kirloskar Brothers Limited	Butterfly Valves 700 NB	July 16, 2008
24.	Kirloskar Pneumatiac Company Limited	Air Compressor System-Supply & Erection	October 25, 2007
25.	KMA Electricals Private Limited	Cable Supply	January 16, 2009
26.	Liberty Valves Limited	Valves for various system	August 18, 2008
27.	M/s ABB Limited	• Supply of Electrical Balance of Plant (EBOP) Package • Supply of 400/220 KV Switch yard package • Erection, testing, commission and carrying out Performance Acceptance test of 400/220 KV Switchyard Package • Erection, testing, commission and carrying out Performance Acceptance test of Electrical Balance of Plant(EBOP) package • Supply Of Power Transformers Package	September 25, 2007
28.	M/s BSBK Engineers Private Limited	Design, engineering and supply of Lime handling System	April 29, 2009
29.	M/s Doshion Limited	Supply of Demineralising Plant	August 21, 2007
30.	M/s Doshion Limited	Design, engineering, erection and Commissioning of Demineralising Plant	August 21, 2007
31.	M/s Harji Engineering Works Private Limited	Circulating Water Pipe Work	July 20, 2007
32.	M/s kirloskar Brothers Limited	Erection and Commission of Circular water pumps system, Supply of Circulating Water Pump System	August 21, 2007
33.	M/s Macawber Beekay Private Limited	Supply of Ash Handling System	August 21, 2007
34.	M/s Macawber Beekay Private Limited	Design Engineering, Erection and Commissioning of Ash Handling	August 21, 2007

Sl. No.	Name of Contractor	Type of Plant & Machinery	Date of Order Placement
		System	
35.	M/s ORBIS Elevators Company Limited	Elevators	April 7, 2008
36.	M/S Swastik Lloyds Engineering Private Limited	Circulating Water Pipe Work	July 20, 2007
37.	M/s Tecpro Systems Limited	Design Engineering and Supply of Lignite handling System	August 23, 2009
38.	M/s Tecpro Engineers Private Limited	Contract for Erection and commissioning of lignite Handling System	August 23, 2009
39.	Orbit Technologies Pri vate Limited	Chemical laboratory equipment, furniture, hardware etc.	January 13, 2009
40.	Perfect Piping Company Private Limited	LP Piping Supply	November 6, 2008
41.	Rajasthan Rajya Vidyut Prasaran Nigam Limited	Supply ,Erection & Commissioning of 2X250MVAR Shunt Reactor at RWPL end on 400KV Lines	September 17, 2008
42.	Rajasthan Rajya Vidyut Prasaran Nigam Limited	PLCC	September 17, 2008
43.	Siemens Limited	Supply of BOP DCS System, Erection & Commissioning of BOP DCS System	February 7, 2008
44.	Siemens Limited	Supply of EPBAX	October 19, 2007
45.	SK System Limited	Ventilation System	September 8, 2008
46.	Sudhir Power Projects Private LImited	D.G. Sets	August 29, 2007
47.	Sudhir Power Projects Private LImited	Emergency D.G sets-Supply & Erection	January 21, 2009
48.	THYSSEN KRUPP Elevators Private Limited	Elevators	April 25, 2008
49.	Tushaco Pumps Limited	Pumps for LDO unloading	June 16, 2008
50.	U.N. Automobiles Privat e Limited	Supply Of Fire Tender-Cost of Chassis	March 16, 2008
51.	Varat Pumps and Machinery Private Limited	Supply Of Misc Pumps	July 26, 2008
52.	Voltas Limited	Air conditioning plants : for main control room, ESP control room, DM plant control room etc.-Supply & Erection	January 21, 2009
53.	Wipro Limited	Effluent treatment system -Supply & Erection	January 21, 2009

The supply of these machineries is in progress.

Financing cost and interest during construction

IDC has been computed based on the capital phasing schedule as per the means of finance.

Preliminary and Pre-operative expenses

Preliminary expenses include establishment expenses, legal and audit expense, construction insurance, start-up fuel, and site supervision, operators training etc.

Contingency

The contingency provision is expected to cover any increase in project cost.

Means of Finance

The proposed means of financing for the project is as follows:

(Rs. in million)

Particulars	Amount
Equity	12,500.00
Debt	37,500.00
Total	**50,000.00**

Implementation schedule of the project

S. No.	Particulars	Estimated Date of Completion/Status*
1.	Land and site development	Completed
2.	Technical and engineering work	Completed
3.	Civil work	May 2010
4.	Installation of equipment	September 2010
5.	Trial run	September 2010
6.	Date of commercial operation	October 2010

** Internal Estimates*

3. 270 MW Coal /Lignite based power project in Barmer (Rajasthan)

The Phase-II Project has been appraised by ICICI Bank Limited in accordance with the Information Memorandum dated December 2007 issued by it. The cost of setting up the 270 MW power plant is estimated at Rs. 13,500.00 million and is proposed to be financed at a debt to equity ratio of 75:25. For more details on the project and its status, please refer to the section titled "Our Business — Projects Under Implementation— Raj WestPower Limited ("RWPL") Phase II – 270 MW Coal-Fired Power Plant, Rajasthan" on page 92 of the Red Herring Prospectus. Further, for details in relation to RWPL, the subsidiary undertaking this project, and its financial statements for the last five years, see, "Our Subsidiaries" and "Financial Statements of JSWERL, RWPL, JPTL AND BLMCL" on pages 148 and 301 of the Red Herring Prospectus.

The detailed break down of project cost as appraised by ICICI Bank Limited is as follows:

(Rs. in million)

Item	Total
Land, Civil works and infrastructure	2,312.10
Plant and machinery	8,254.90
Electrical works	935.10
Preoperative expenses and overheads	236.90
Financing cost and interest during construction	1,465.40
Contingency	295.60
Total Project Cost	**13,500.00**

Land, Civil works and Infrastructure

The land required for the project has already been acquired and a residual land of only 30 acres at a total cost of Rs. 1.10 million is to be acquired.

The civil works and infrastructure primarily includes main plant civil and structural work, development of water cooling system (Rs. 100.0 million), construction of coal handling system, etc. The cost estimates are based on the prevailing rates for civil and structural work at Barmer.

Plant and machinery

The complete plant and machinery is proposed to be procured through various contract packages. The broad items comprising the total plant and machinery for the Project include (i) Boiler, Turbine and generator package; (ii) Erection testing and commissioning; (iii) freight and insurance transits; (iv) taxes and duties; (v) initial spares. In addition, the balance of plant is expected to cost the balance amount. No second hand plant and machinery have been ordered for the project.

Details of Plant and Machinery Ordered:

Sl. No.	Name of Contractor	Type of Equipment	Date of Order Placement	Date of Supply
1.	Dongfang Electirc Corporation	Boiler Turbine & Generator	January 25, 2008	Yet to Commence

Electrical Works

The broad items comprising the electrical works include power transformers and direct current system for the Project. The spares, freight and insurance are expected to cost the remaining amount.

Pre-operative expenses and overheads

Preliminary expenses include establishment expenses, legal and audit expense, construction insurance, start-up fuel, site supervision, operators training etc.

Financing cost and interest during construction

IDC has been computed based on the capital phasing schedule as per the means of finance.

Contingency

The contingency provision is expected to cover any increase in project cost.

Means of Finance

The proposed means of financing for the Project is as follows:

(Rs. in million)

Particulars	Amount
Equity Capital	3,375.00
Rupee Term Loans from FIs/banks	10,125.00
Total	**13,500.00**

Implementation schedule of the project

S. No.	Particulars	Estimated Date of Completion/Status*
1.	Land and site development	June 2011
2.	Technical and engineering work	September 2011
3.	Civil work	March 2012
4.	Installation of equipment	November 2012
5.	Trial run	December 2012
6.	Date of commercial operation	January 2013

** Internal Estimates*

4. 240 MW hydro power project in Kutehr (Himachal Pradesh)

The Kutehr Project has been appraised by ICICI Bank Limited in accordance with Information Memorandum dated January 2008 issued by it. The cost of setting up the 260 MW power plant was estimated at Rs. 14,400.00 million and was proposed to be financed at a debt to equity ratio of 75:25. Accordingly, ICICI Bank had sanctioned a sum of Rs. 10,800.00 million for the Project. We had appointed SNC- LAVALIN Engineering India Private Limited for the preparation of detailed project report. The DPR submitted by SNC Lavalin has recommended the setting up of 240 MW power project based on the hydrological assessment carried out by them using available data and has estimated the project cost at Rs. 19,152.00 million. The revised DPR prepared by SNC Lavalin has been submitted to Central Electricity Authority for its approval. We shall approach ICICI Bank for a re-appraisal of the Project after approval of the DPR by CEA. We propose to finance the increase in project cost by way of additional equity keeping the sanctioned debt from ICICI Bank at the same level. For more details on the project and its status, please refer to the section titled "Our Business - Projects Under Implementation - JSWEL: Kutehr – 240 MW Hydroelectric Power Plant, Himachal Pradesh" on page 93 of the Red Herring Prospectus.

The detailed break down of project cost in accordance with the DPR prepared by SNC Lavalin is as follows:

(Rs. in million)

Particulars	Total
Land, Building and civil works	9,457.40
Electrical and Mechanical works	3,439.10
Local Area Development Charges	193.40
Escalated cost for Civil and Electrical and Mechanical works	2,330.30
Financing cost and Interest during construction	3,731.80
Total Project Cost	**19,152.00**

Land, building and civil works

The cost of land and civil works is expected to be Rs. 9,457.40 million. The building and civil works include cost of river diversion works, concrete gravity dam and spillway, intake, head race tunnel, trough and desilting basin, road works, forebay, bypass channel, surge tank, surface penstocks, powerhouse, tail race channel and coffer dam.

Plant and machinery

The cost includes expenditure towards three Francis turbine sets including all piping, governors, cooling water system, dewatering drainage system; synchronous generator sets including excitation system; seven generator transformers; switchyard including breakers, isolators, switchgear etc.; all auxiliary electrical system including 11 kV switchgear, DC system, earthing and lighting, and auxiliary transformers, transmission line

Details of Plant and Machinery Ordered

No plant and machinery has been ordered as on the date of this RHP.

Financing cost and Interest during construction

Financing cost has been assumed at about 0.50% of the total debt raised for the project. IDC has been computed based on the capital phasing schedule as per the means of finance.

Escalation in cost for Civil and Electrical and Mechanical works

The Escalation has been taken at 6% based on the price indices for the previous years for the civil work and 2% for Electrical and Mechanical works per annum.

Means of Finance

The proposed means of financing for the project is as follows:

(Rs. in million)

Particulars	Amount
Equity	8,352.00
Debt	10,800.00
Total	**19,152.00**

Implementation schedule of the project

S. No.	Particulars	Estimated Date of Completion/Status*
1.	Land and site development	June 2010
2.	Technical and engineering work	January 2012
3.	Civil work	June 2015

S. No.	Particulars	Estimated Date of Completion/Status*
4.	Transmission line	June 2015
5.	Installation of equipment	June 2015
6.	Trial run	November 2015
7.	Date of commercial operation	December 2015

** Internal Estimates*

5. 400 KVA Double Circuit Quad Moose Transmission Line for 169 KM (Jaigad-Koyna and Jaigad-Karad)

The Transmission Project has been appraised by SBI Capital Markets Limited in accordance with the Information Memorandum dated October 2008 issued by SBI Capital Markets Limited. The cost of setting up the two 400Kv DC Transmission Lines is estimated at Rs. 5,800.00 million and is proposed to be financed at a debt to equity ratio of 75:25. For more details on the project and its status, please refer to the section titled "Our Business - Transmission - 400 KVA Double Circuit Quad Moose Transmission Line for 169 KM (Jaigad-Koyna and Jaigad-Karad)" on page 98 of the Red Herring Prospectus. Further, for details in relation to JPTL, the subsidiary undertaking this project, and its financial statements for the last five years, see, "Our Subsidiaries" and "Financial Statements of JSWERL, RWPL, JPTL AND BLMCL" on pages 148 and 301 of the Red Herring Prospectus.

The detailed break down of project cost as appraised by SBI Capital Markets Limited is as follows:

(Rs. in million)

Particulars	Total
EPC Cost	4,460.00
Non EPC Cost	351.80
Interest during construction	458.40
Preoperative and preliminary expenses	248.50
Margin money for working capital	40.70
Contingency	240.60
Total Project Cost	**5,800.00**

See "Business - Our Transmission - 400 KVA Double Circuit Quad Moose Transmission Line for 169 KM (Jaigad-Koyna and Jaigad-Karad)" on page 98 of this Red Herring Prospectus.

EPC Cost

The cost of EPC Contract awarded to Larsen & Toubro is Rs.4460.00 million which is inclusive of supply and service contract

Supply Contract consists of supply of stubs, towers, earthwire, conductor, and other accessories. Service contract consist of tower foundation, erection, stringing, checking and testing. No second hand plant and machinery have been ordered for the project.

Details of Plant and Machinery Ordered:

S. No.	Name of Contractor	Type of Equipment	Date of Order Placement	Date of Supply
1.	Larsen & Toubro Limited	EPC Contract (Supply and Service Contract) for supply of tower materials, conductors and tower accessories	July 2, 2008	In Progress

Non EPC Cost

The Non EPC Cost includes cost towards Consultancy, Design Cost, Terminal Bays to be developed by MSETCL on behalf of JPTL and Right of Way.

Interest during construction

IDC has been computed based on the capital phasing schedule with an estimated 25% equity contribution (74% from JSWEL and 26% from MSETCL) and an estimated 75% from third party debt financing.

Preoperative and preliminary expenses

This head includes development cost, financial consultancy fees, establishment expenses, legal and audit expense, construction insurance, upfront fees etc.

Contingency

The contingency provision is expected to cover any increase in project cost.

Means of Finance

The proposed means of financing for the project is as follows:

(Rs. in million)

Particulars	Amount
Equity	1,450.00
Debt	4,350.00
Total	**5,800.00**

Implementation schedule of the project

S. No.	Particulars	Estimated Date of Completion/Status*
1.	Land and site development	N.A.
2.	Technical and engineering work	Completed
3.	Civil work	March 2010
4.	Installation of equipment	May 2010
5.	Trial run	May 2010
6.	Date of commercial operation	June 2010

** Internal Estimates*

6. BLMCL- Kapurdi and Jalipa Mines at Barmer, Rajasthan

Kapurdi and Jalipa Mines at Barmer, Rajasthan is being developed by BLMCL, a 49:51 Joint Venture between RWPL and RSMML. Mining is an integral part of the 8x135 MW Project being developed by RWPL at Barmer, Rajasthan. The RERC has, by its order dated October 19, 2006, approved the in-principal capital cost of mining project at Rs. 4670.00 million and has also approved the capital cost of the power project. The RERC order approving project cost provides that the cost is subject to variation in project cost on account of changes in taxes and increase in land cost. Based on this approved cost of mining project, IDFC has appraised the mining project with a debt to equity ratio of 70:30 and has sanctioned a debt of Rs. 3,270 million. The acquisition of land for Kapurdi mines is being carried out by RSMML. The LAO has issued his order dated September 14, 2009 for Kapurdi land. As per the said order, the total cost of acquisition of Kapurdi land is Rs. 2,675.44 million as against the approved cost of Rs. 342.08 million by RERC resulting in an increase in the land cost by Rs. 2,333.36 million.The land acquisition for the Jalipa land is at initial stage. The cost of the land acquisition for the Jalipa land of Rs. 566.92 million as included in the table is based on RERC order dated October 19, 2006. However, the actual cost of the land at Jalipa cannot be ascertained till the acquisition process is complete. For more details on the project and its status, please refer to the section titled "Our Business - Mining - Kapurdi and Jalipa Mines at Barmer, Rajasthan" on page 101 of the Red Herring Prospectus. Further, for details in relation to BLMCL, the joint venture undertaking this project, and its financial statements for the last five years, see, "History and Certain Corporate Matters" and "Financial Statements of JSWERL, RWPL, JPTL AND BLMCL" on pages 142 and 301 of the Red Herring Prospectus.

The detailed break down of project cost as appraised by IDFC and revised in accordance in order for Kapurdi land passed by the LAO, and including rights under the implementation agreement and the joint venture agreement pursuant to which equity was allotted to RSMML for consideration other than cash is as follows:

(Rs. in million)

Particulars	Total
Land Acquisition and Development	3,603.36
Rights under Implementation and JV Agreement	102.00
Mining and Support Equipments	1,080.00
Workshop and Office Equipments	50.00
Civil Works	170.00
Mine Development	1,220.00
Interest during construction	460.00
Preoperative and preliminary expenses	420.00
Total Project Cost	**7,105.36**

Land Acquisition and Development

Land Acquisition is being carried out by RSMML on behalf of the BLMCL for the Jalipa and Kapurdi Mines. The land required for mining at Kapurdi is 19,784.80 bighas, which comprises of 2,461.55 bighas of government land and 17,323.25 bighas of private land. Requisite notification under the Land Acquisition Act, 1894 has been issued in this regard for the private land. The government land is being acquired by RSMML in accordance with the prevailing norms of Government of Rajasthan. Land acquisition for the Jalipa mines (24,435 bighas) is at initial stage. The land shall be developed for mining pursuant to the transfer of land by RSMML to BLMCL with the mining lease.

Mining and Support Equipments

Initial mining support equipments for the development of mines shall form part of capital cost. No order for Mining and Supporting Equipment has been placed yet.

Interest during construction

IDC has been computed based on the capital phasing schedule as per the means of finance.

Preoperative and preliminary expenses

This head includes development cost, financial consultancy fees, establishment expenses, legal and audit expense, construction insurance, upfront fees etc.

Means of Finance

The proposed means of financing for the project is as follows:

(Rs. in million)

Particulars	Amount
Equity	200.00
Sub-Debt	3,635.36
Debt	3,270.00
Total	**7,105.36**

Implementation schedule of the project

S. No.	Particulars	Estimated Date of Completion*
1.	Land Acquisition	
(a)	- Kapurdi	December 2009
(b)	- Jalipa	November 2010
2.	Commencement of lignite production	
(a)	- Kapurdi	July 2010
(b)	- Jalipa	March 2011

** Internal Estimates*

Government and Environmental Clearances

We have obtained the required government and environmental clearances for certain of the Identified Projects. We are in the process of the obtaining the balance or we may apply for the same based the stage of development. For more details, see "Government Approvals" on page 370 of this Red Herring Prospectus. For further details, status and schedule of implementation of the Identified Projects see "Our Business" on page 76 of this Red Herring Prospectus. Further, for details in relation to BLMCL, the joint ventuer undertaking this project, see, "Histroy & Certain Corporate Matters" on page 142 of the Red Herring Prospectus.

Deployment Schedule

The Net Proceeds are currently expected to be deployed in the Identified Projects in accordance with the following schedule:

(Rs. in million)

S. No.	Identified Project	Annual funding schedule					Total	Capacity	Estimated date of commissioning
		Fiscal 2010[@]	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014 onwards			
1.	Ratnagiri	3,274.10	915.20	0.00	0.00	0.00	4,189.30	4 x 300 MW	April 2011[(1)]
2.	RWPL Phase 1	2,662.00	214.60	0.00	0.00	0.00	2,876.60	8 x 135 MW	April 2011[(1)]
3.	RWPL Phase 2	750.00	694.90	454.40	858.10	0.00	2,757.40	2 x 135 MW	January 2013[(2)]
4.	Kutehr	153.50	2,049.90	2,000.00	2,000.00	2,025.00	8,228.40	3 x 80 MW	December 2015[(3)]
5.	JPTL	496.00	0.00	0.00	0.00	0.00	496.00	400 KV	June 2010[(1)]
6.	BLMCL	2,335.00	542.56	0.00	0.00	0.00	2,877.56	7 MTPA	July 2010[(4)]
	Total	**9,420.60**	**4,542.16**	**2,579.40**	**2,858.10**	**2,025.00**	**21,425.26**		

(1) Based on the scheduled completion date or commercial operations date specified in financing documents or in accordance with lender appraisals or sanction letters

(2) Based on the scheduled completion date or commercial operations date specified in financing documents which is expected to be 36 months from the financial closure date, and financial closure is expected to be in January 2010.

(3) Based on the scheduled completion date or commercial operations date specified in financing documents which is expected to be 72 months from the financial closure date, and financial closure is expected to be in December 2009.

(4) Based on the assumption that acquisition of land will be completed by December 2009.

@ Includes amount infused since July 1, 2009 in Ratnagiri, RWPL Phase I, Kutehr and BLMCL of Rs.1,670.00 million, Rs. 958.10 million, Rs. 5.70 million and Rs. 2,235.00 million respectively. The said amount is proposed to be recovered from Net Proceeds

Repayment of Corporate Debt

We propose to repay the outstanding amount of Rs. 4,700 million out of the sanctioned loan of Rs. 4,750.00 million by IDBI Bank Limited from the Net Proceeds:

(Rs. in million)

Name of the Bank	Nature and Date of Agreement	Amount Outstanding as on September 30, 2009
IDBI Bank Limited	Rupee Term Loan, Facility Agreement dated September 29, 2008	4,700.00

We shall not have to pay any prepayment penalty if the said loan is repaid out of the Net proceeds on the interest reset dates.

The purpose for which the rupee term loan was sanctioned was to meet the short and medium term mismatch in cash flows of the Company, to meet the capex requirements of the Company, and the infrastructure projects being developed by the subsidiaries and joint ventures of the Company and to foreclose high cost loans.

For more details of the said indebtedness, please see the section titled "Finacial Indebtedness" on page 336 of this Red Herring Prospectus.

General Corporate Purpose

We intend to continue to grow and strengthen our operations in the power generation and trading as also evaluating opportunities in transmission distribution, 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.

Accordingly, we intend to deploy the balance Net Proceeds aggregating Rs. [●] million towards our other existing projects and such growth plans. We continue to evaluate various opportunities and may bid for new projects. We cannot assure you that any or all of our bids will be successful. Our management will have the flexibility in utilizing these proceeds under the overall guidance and policies laid down by our Board.

We may have to revise our business plans from time to time and consequently our capital requirements may also change including revision of our capital expenditure programmes or changes in capital structure. We intend to use part of the net proceeds from this Issue in respect of such capital requirements.

In addition, we also intend to use part of the net proceeds of the Issue for general corporate purposes including but not limited to, meeting requirements like funding of bidding expenses, initial development expenses for projects other than the Identified Projects, funding cost overruns, various inorganic opportunities and any form of exigencies faced by the Company, repayment of loans other than those identified as part of these Objects.

Expenses of the Issue

The estimated issue related expenses are as follows:

(Rs. in million)

Activity	Expense* (Rs. in Million)	Expense* (% of total expenses)	Expense* (% of Issue Size)
Lead merchant bankers (including, underwriting commission, brokerage and selling commission)	[•]	[•]	[•]
Registrars to the issue	[•]	[•]	[•]
Advisors	[•]	[•]	[•]
Bankers to issue	[•]	[•]	[•]
Others:			
- Printing and stationary	[•]	[•]	[•]
- Listing fee	[•]	[•]	[•]
- Advertising and marketing expenses	[•]	[•]	[•]
- Fee for IPO grading	[•]	[•]	[•]
- Others	[•]	[•]	[•]
Total estimated Issue expenses	[•]	[•]	[•]

** Will be incorporated after finalisation of Issue Price*

Bridge Loan

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

Interim use of funds

Pending utilisation for the purposes described above, we intend to invest the funds in high quality interest bearing liquid instruments, including investments in mutual funds, deposits with banks, for the necessary duration or for reducing overdrafts. Our management, in accordance with the policies established by our Board of Directors from time to time, will have flexibility in deploying the Net Proceeds of the Issue.

Monitoring of Utilisation of Funds

We have appointed IDBI Bank Limited as the monitoring agency in relation to the Issue. Our Board and IDBI Bank Limited will monitor the utilisation of the proceeds of the Issue. We will disclose the utilisation 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. We will indicate investments, if any, of unutilized proceeds of the Issue in our balance sheet for the relevant financial years subsequent to our listing.

Pursuant to clause 49 of the Listing Agreement, the 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, the Company shall prepare a statement of funds utilised for purposes other than those stated in this 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 utilised in full. The statement will be certified by the statutory auditors of the Company. In addition, the report submitted by the monitoring agency will be placed before the Audit Committee of the Company, so as to enable the Audit Committee to make appropriate recommendations to the Board of the Company.

The Company shall be required to inform material deviations in the utilisation 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, our Directors, Promoter 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 the Company in consultation with the BRLMs on the basis of the assessment of market demand for the offered Equity Shares by the book building process. The face value of the Equity Shares of the Company is Rs. 10 each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Qualitative Factors

For more details on qualitative factors, refer to section titled "Summary of Our Business" beginning on page 3 of this Red Herring Prospectus.

Quantitative Factors

1. Basic and Diluted Earnings per Share (EPS)- Standalone

Period ended	Basic and Diluted EPS (Rs.)	Weight
2009	4.22	3
2008	4.45	2
2007	2.50	1
Weighted Average	4.01	

Adjusted EPS (Basic and Diluted) for the half year ended September 30, 2009 (not annualised): Rs. 2.16 and Rs. 2.15* respectively.

* The diluted EPS as at September 30, 2009 is after considering the pre- IPO allotment of 6,300,000 Equity shares of Rs 10 each issued at a premium of Rs 90 per share on November 16, 2009.

2. Basic and Diluted Earnings per Share (EPS)- Consolidated

Period ended	Basic and Diluted EPS (Rs.)	Weight
2009	2.04	3
2008	2.52	2
2007	2.30	1
Weighted Average	2.24	

Adjusted EPS (Basic and Diluted) for the half year ended September 30, 2009 (not annualised): Rs. 1.97 and Rs. 1.97* respectively.

* The diluted EPS as at September 30, 2009 is after considering the pre- IPO allotment of 6,300,000 Equity shares of Rs 10 each issued at a premium of Rs 90 per share on November 16, 2009.

Note:

a) The adjusted Earnings per Share has been computed on the basis of the restated profits and losses of the respective years drawn after considering the impact of material adjustments pertaining to the earlier years.

b) 819,856,914 Equity Shares of Rs.10 each have been allotted as fully paid up Bonus Shares in the ratio of 3 Shares for every 2 shares held on July 28, 2009, by way of capitalisation of Reserves & Surplus.

3. Price Earning Ratio (P/E) in relation to the Issue price of Rs. [●] per share

a. P/E based on Basic and Diluted EPS (Standalone) for the year ended March 31, 2009: [●] times
b. P/E based on Basic and Diluted EPS (Consolidated) for the year ended March 31, 2009: [●] times
c. Industry P/E
    a. Highest : 462.50
    b. Lowest : 11.50
    c. Industry Composite : 22.80

***Source**: Capital Market Magazine, November 2 – November 15, 2009 Edition*

4. ***Return on Networth (RoNW) - Standalone***

Period ended	RoNW (%)	Weight
2009	29.39	3
2008	45.32	2
2007	25.96	1
Weighted Average	34.13	

RoNW for the half year ended September 30, 2009: 13.07%*

* 6,300,000 Equity Shares of Rs.10 each have been allotted at a premium of Rs. 90 per share as Pre-IPO Placement on November 16, 2009. If the same is considered, the RoNW for the half year ended September 30, 2009 would be 12.72%.

5. ***Return on Networth (RoNW) - Consolidated***

Period ended	RoNW (%)	Weight
2009	18.88	3
2008	32.66	2
2007	24.29	1
Weighted Average	24.38	

RoNW for the half year ended September 30, 2009: 15.42%*

* 6,300,000 Equity Shares of Rs.10 each have been allotted at a premium of Rs. 90 per share as Pre-IPO Placement on November 16, 2009. If the same is considered, the RoNW for the half year ended September 30, 2009 would be 14.88%.

6. *Minimum Return on Total Net Worth after Issue needed to maintain Pre-Issue Basic EPS for the year ended March 31, 2009 is [●]*

7. ***Net Asset Value***

NAV (Consolidated) as at March 31, 2009 : Rs. 10.81 per Equity Share
NAV (Standalone) as at March 31, 2009 : Rs. 14.37 per Equity Share
NAV (Consolidated) as at September, 30, 2009 : Rs. 12.79 per Equity Share
NAV (Standalone) as at September 30, 2009 : Rs. 16.54 per Equity Share

Note:

a) 819,856,914 Equity Shares of Rs.10 each have been allotted as fully paid up Bonus Shares in the ratio of 3 Shares for every 2 shares held on July 28, 2009, by way of capitalisation of Reserves & Surplus. If the same is considered, the NAV would be as under:

Issue price : Rs. [●] per Equity Share

NAV (Consolidated) after the Issue : Rs. [●] per Equity Share
NAV (Standalone) after the Issue : Rs. [●] per Equity Share

b) 6,300,000 Equity Shares of Rs.10 each have been allotted at a premium of Rs. 90 per share as Pre-IPO Placement on November 16, 2009. If the same is considered, the NAV would be as under:

NAV (Consolidated) as at September 30, 2009 : Rs. 13.19 per Equity Share
NAV (Standalone) as at September 30, 2009 : Rs. 16.92 per Equity Share

8. ***Comparison with peer group companies***

		Face Value per share	EPS (Rs.)	P/E Ratio	RoNW (%)	Book Value Per Share (Rs.)	Sales (Rs. in million)
1.	JSWEL[1]	10	2.04	[●]	18.88	10.81	18,562.17
2.	**Peer group companies**						

		Face Value per share	EPS (Rs.)	P/E Ratio	RoNW (%)	Book Value Per Share (Rs.)	Sales (Rs. in million)
	Tata Power	10	27.80	35.20	8.20	369.30	72,817.00
	Reliance Power	10	0.80	-	1.40	57.50	-
	Torrent Power	10	8.40	30.90	13.30	68.40	43,249.00
	NTPC	10	9.40	19.80	14.40	72.70	419,752.00
	CESC	10	32.00	11.20	12.90	271.50	30,882.00
	Gujarat Industrial Power Company Limited	10	5.30	18.00	7.40	78.20	11,550.00
3.	**Industry Composite**			22.80			

(1) On consolidated basis for the year ended on March 31, 2009, as restated

Source: Capital Market Magazine, November 2– November 15, 2009 Edition (for 2 and 3 above)

Note:
a) 819,856,914 Equity Shares of Rs.10 each have been allotted as fully paid up Bonus Shares in the ratio of 3 Shares for every 2 shares held on July 28, 2009, by way of capitalisation of Reserves & Surplus.

9. The Issue price will be [●] times of the face value of the Equity Shares.

The Issue Price of Rs. [●] has been determined by the Company in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares through the Book Building Process. The BRLMs believe that the Issue Price of Rs. [●] is justified in view of the above qualitative and quantitative parameters. Prospective investors should also review the entire Red Herring Prospectus, including, in particular the sections titled "Risk Factors", "Our Business" and "Financial Statements" beginning on pages xiii, 76 and 186 respectively, of this Red Herring Prospectus to have a more informed view.

STATEMENT OF TAX BENEFITS

Please see the section titled "Financial Statements – Statement of Tax Benefits" on page 247 of this Red Herring Prospectus.

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 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 Red Herring Prospectus. Accordingly, investment decisions should not be based on such information.

Overview of the Indian Economy

According to the Economist Fact Sheet dated as of July 3, 2009, India, with a population of over 1.14 billion people, had a Gross Domestic Product ("GDP") on a purchasing power parity ("PPP") basis of approximately US$3,363.00 billion in 2008. This made it the fourth largest economy in the world, on a PPP basis, after the United States, China and Japan.

According to the RBI's Macroeconomic and Monetary Developments First Quarter Review 2009-10 dated as of July 28, 2009, India is one of the fastest growing large economies in the world with a GDP growth of 6.7% in fiscal 2009 and an expected growth in GDP of 6.5% 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% in that period compared to 8.6% in the corresponding quarter in the preceding year.

According to the Planning Commission of India, the 11th 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").

Power (electricity) is an important infrastructural sector of a national economy. Providing adequate and affordable electric power is essential for economic development and higher standards of living. 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 2006-07 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
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 on 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, primarily as a consequence of slow progress in the development of additional generation capacity. According to Power Scenario at a Glance, July 2009 (CEA), the total energy deficit and peak power deficit during April to June 2009 was approximately 9.8% and 12.3% 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 Power Scenario at a Glance, July 2009 (CEA), as on June 30, 2009, the total installed power generation capacity in India was 150,323.4 MW.

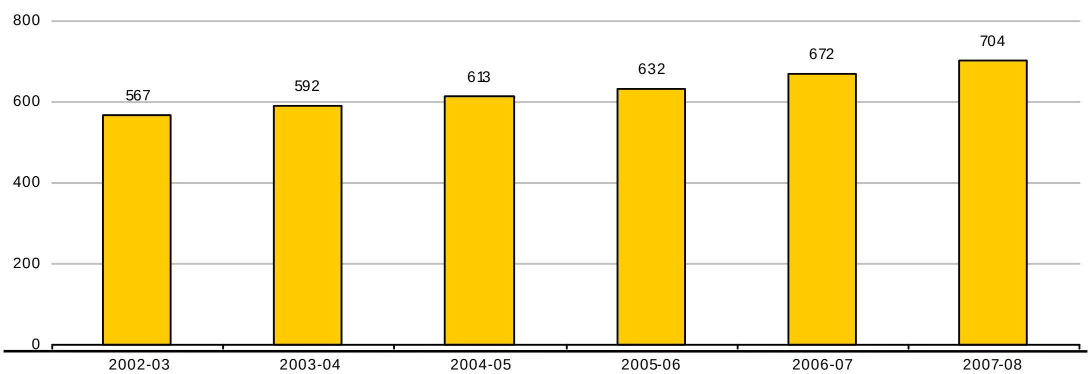
The GoI has recognized the power sector as a key infrastructure sector to be developed to sustain Indian economic growth and has taken various steps to reform the power sector to attract private participation, increase competition and reduce aggregate technical and commercial losses ("AT&C").

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.

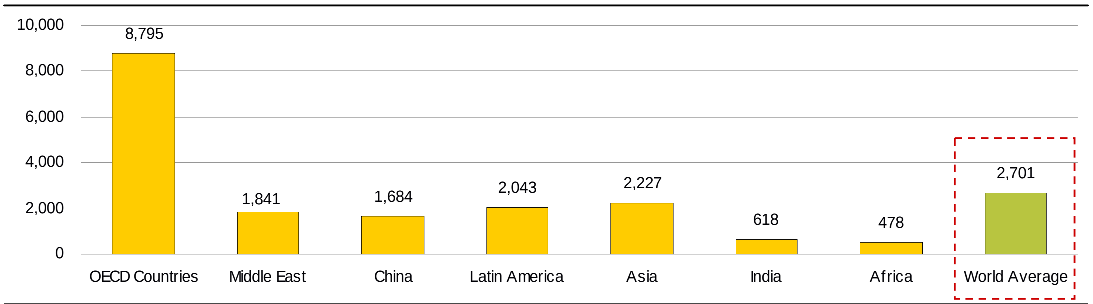
Growth in per Capita Consumption
(kwhr/year)



Source: Monthly Review of Power Sector June 09 (CEA) available at http://www.cea.nic.in/power_sec_reports/executive_summary/2009_06/1-2.pdf

The per capita consumption in India is very low compared to the world average and even compared to other emerging countries. 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.

Consumption of Electric Energy per Capita
KWhr per capita



Note:

(1) Asia includes South Asia, East Asia and the Pacific.

(2) Middle East includes Arab States

(3) Latin America includes Latin America and the Caribbean.

(4) Africa includes Sub-Saharan Africa.

Source: Human Development Report 2007/2008 available at http://hdr.undp.org/en/media/HDR_2009_EN_Complete.pdf

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 Avail-ability (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 12.3% from April to June of 2009 with the Northern region facing the highest peak deficit of 16.7%, closely followed by the Western region with a peak power deficit of 15.0%. 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 varies regions in India during April to June of 2009.

Period (April-June 2009)	Energy Requirement	Energy Availability	Energy Deficit / Surplus		Peak Demand	Peak Met	Peak Deficit / Surplus	
	(MU)	(MU)	(MU)	(%)	(MW)	(MW)	(MW)	(%)
Northern	59,563	53,316	(6,247)	(10.5)	35,491	29,574	(5,917)	(16.7)

Period (April-June 2009)	Energy Requirement	Energy Availability	Energy Deficit / Surplus		Peak Demand	Peak Met	Peak Deficit / Surplus	
Western	64,865	56,131	(8,734)	(13.5)	35,315	30,031	(5,284)	(15.0)
Southern	53,461	49,968	(3,493)	(6.5)	29,216	26,369	(2,847)	(9.7)
Eastern	22,128	21,077	(1,051)	(4.7)	12,913	11,904	(1,009)	(7.8)
N. Eastern	2,221	1,920	(301)	(13.6)	1,620	1,380	(240)	(14.8)

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

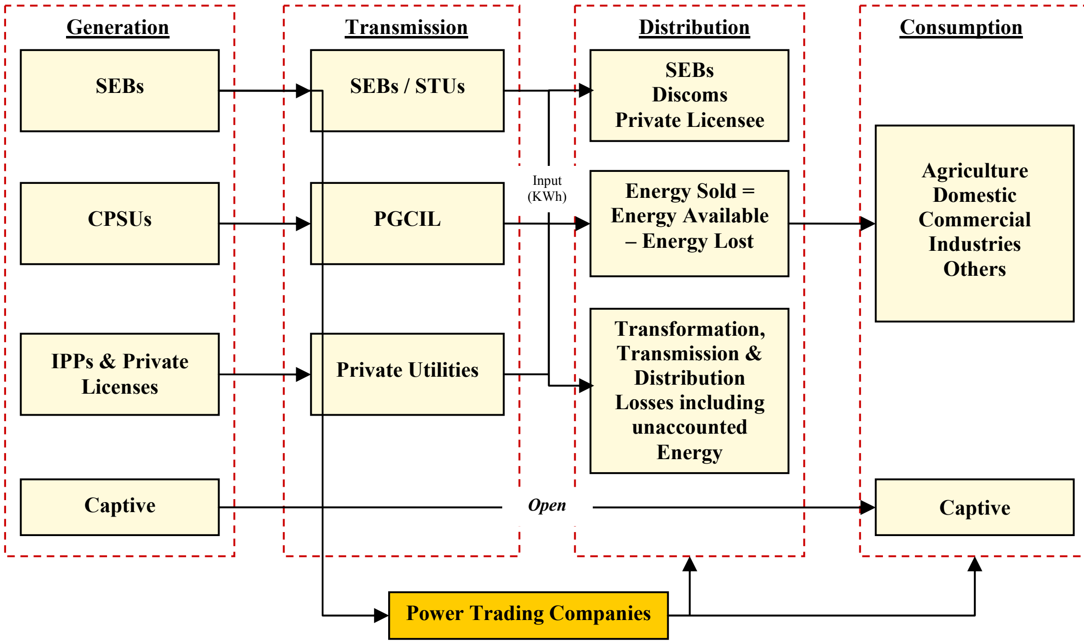
Year	Billion kWh				Projected Peak Demand (GW)		Installed Capacity Required (GW)	
	Total Energy Requirement		Energy Required at Bus Bar[(1)]		@ GDP Growth Rate		@ GDP Growth Rate	
	@ GDP Growth Rate		@ GDP Growth Rate					
	8%	9%	8%	9%	8%	9%	8%	9%
2011-12	1,097	1,167	1,026	1,091	158	168	220	233
2016-17	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
IPPs: Independent 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 Power Scenario at a Glance, July 2009 (CEA), as on June 30, 2009, the total installed power generation capacity in India was 150,323.4 MW. State Electricity Boards accounted for 51.0% and Central Public Sector Units accounted for 32.6% of that total installed power generation capacity. The participation from the private sector is comparatively small at 16.6%

Currently, Indian generation 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 63.89%, hydro electric plants accounted for 24.56%, nuclear power plants accounted for 2.74% and renewable energy sources accounted for approximately 8.81% as on June 30, 2009.

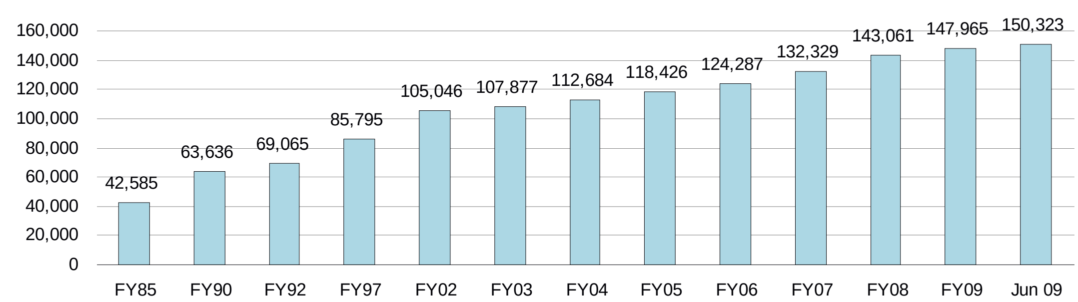
Installed Capacity as on June 30, 2009 (Figures in MW)						
Sector	**Hydro**	**Thermal**	**Nuclear**	**R.E.S.**	**Total**	**% of Total**
State	27,095	46,922	-	2,248	76,265	50.73%
Central	8,592	36,359	4,120	-	49,071	32.64%
Private	1,230	12,763	-	10,995	24,988	16.62%
Total	**36,917**	**96,045**	**4,120**	**13,242**	**150,323**	100.00%

Installed Capacity as on June 30, 2009 (Figures in MW)						
Sector	**Hydro**	**Thermal**	**Nuclear**	**R.E.S.**	**Total**	**% of Total**
% of Total	24.56%	63.89%	2.74%	8.81%	100.00%	

R.E.S: Renewable Energy Sources
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 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)



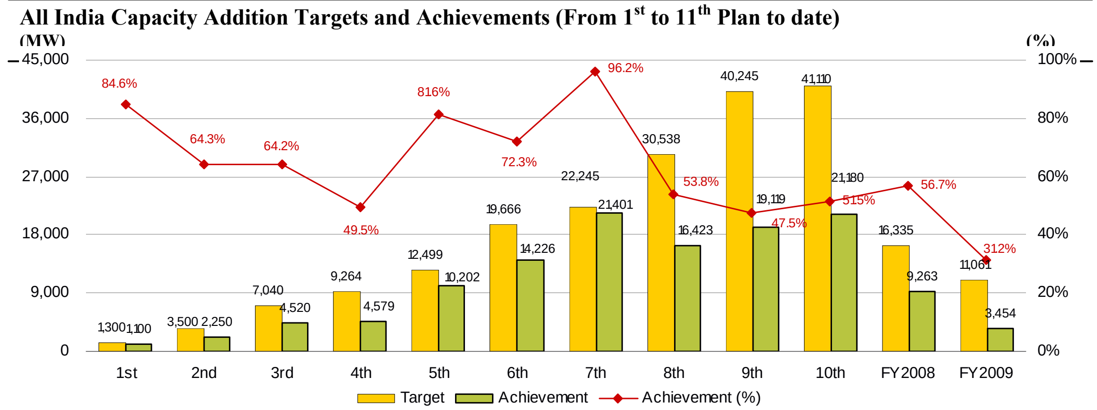
Source: http://cea.nic.in/power_sec_reports/Executive_Summary/2009_06/11.pdf

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. According to the CEA Monthly Review of Power Sector reports for March 2008 and March 2009, the capacity addition target set out in the 11th Plan (Fiscal 2008 to Fiscal 2012) was 16,335.2 MW and 11,061.2 MW 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% of the 11th plan target, 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 to date)



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 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

Thermal plants can be based on coal, lignite, gas, LNG or liquid fuel. Based on the installed power generation capacity as of June 30, 2009, coal based thermal plants comprised 52.2% of the total available thermal capacity.

The Geological Survey of India estimates that coal reserves stood at 287 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, Orissa and Andhra Pradesh. Use of imported coal with high calorific value and low ash content may be the preferred choice for coastal thermal power plants in Tamil Nadu, Gujarat, Maharashtra, Karnataka and Andhra Pradesh states depending upon competitive pricing.

In addition, the geological reserves of lignite are approximately 35.6 billion ton, 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%. On average, India's economic potential is about 16.75% of its total theoretical potential.

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 utilise 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 river system ratio of economic potential to theoretical potential is the highest for the western flowing river system at 39.1%, followed by 23.6% for the Indus river system and 21.2% for the east flowing river system. 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 are 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. India now ranks 5th in the world after Germany, USA, Spain and Denmark in wind power generation. According to National Electricity Plan (April 2007), 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. Accordingly, a capacity addition programme of 78,530 MW has been envisaged during 11th Plan comprising 16,553 MW hydro, 58,597 MW thermal and 3,380 MW nuclear.

Sector	Hydro	Thermal	Nuclear	Total
Central	9,685	26,764	3,380	39,829
State	3,605	24,347	-	27,952
Private	3,263	7,486	-	10,749
All-India	**16,553**	**58,597**	**3,380**	**78,530**

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

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

A capacity addition of 82,000 MW for the 12th plan is recommended by the 17th EPS report based on a scenario of 9% GDP growth rate, an elasticity of 0.8 and a growth rate of 8.3% over the installed generation capacity of 132,329 MW at the end of FY2007.

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 11.5% of the total installed capacity in India. 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. 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 upto 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 IPPs are governed by agreements between power generation companies and utilities known as PPAs. Tariffs for state sector generators are regulated by the SERCs. 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.

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.

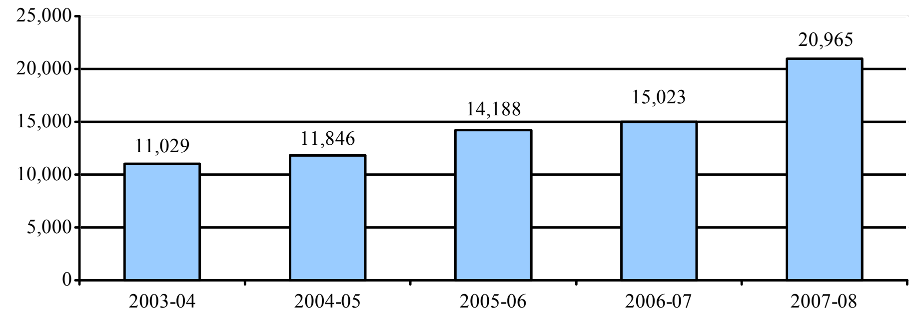
The Electricity Act, 2003 specifies trading in electricity as a licensed activity. Trading has been defined as purchase of electricity for resale. This may involve wholesale supply (i.e. purchasing power from generators and selling to the distribution licensees) or retail supply (i.e. purchasing from 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
MU



Source: http://www.cercind.gov.in

The following table shows higher prices of power traded for the periods indicated:

Sale Price and Volume of Electricity Traded by the Trading Licensees				
Sale Price (Rs)	**2006-07**		**2007-08**	
	Volume Traded (MU)	**% to Total Volume**	**Volume Traded (MU)**	**% to Total Volume**
0.00 – 2.00	252.20	1.81	4,729.61	27.30
2.00 – 4.00	2,732.65	19.58	2,647.71	15.28
4.00 – 6.00	10,507.43	75.30	4,094.05	**23.63**
6.00 – 8.00	461.67	3.31	5,292.53	30.55
8.00 – 10.00			556.92	3.21
10.00 – 12.00			4.55	0.03
Total	**13,953.95**	**100**	**17,325.37**	**100**

* *There is no price information for volume traded through swapping or banking arrangement (3,639.40MU), therefore, the volume traded through swapping or banking arrangement has not been considered.*

Source: http://www.cercind.gov.in

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 jointly 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. The present inter-regional power transfer capacity of 14,100 MW at the end of 10^{th} Plan is expected to be enhanced to 37,700 MW 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. 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 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 aggregate technical and commercial losses 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 12^{th} 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.

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 three UMPPs, Sasan in Madhya Pradesh, Mundra in Gujarat and Krishnapatnam in Andhra Pradesh. The Sasan project and the Krishnapatnam project have been awarded to Reliance Power Limited while Tata Power has been awarded the Mundra project.

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.

National Electricity Plan

Assessment of demand is an important pre-requisite for planning capacity addition. The Electricity Act requires the CEA to frame a National Electricity Plan once in five years and revise the same from time to time in accordance with the National Electricity Policy. CEA released a National Electricity Plan in April, 2007.

The National Electricity Plan would be for a short-term framework of five years while giving a 15 year perspective and would include:

- Short-term and long-term demand forecast for different regions;
- Suggested areas/locations for capacity additions in generation and transmission keeping in view the economics of generation and transmission, losses in the system, load centre requirements, grid stability, security of supply, quality of power including voltage profile etc. and environmental considerations including, rehabilitation and resettlement;
- Integration of such possible locations with transmission system and development of national grid including type of transmission systems and requirement of redundancies;
- Different technologies available for efficient generation, transmission and distribution; and
- Fuel choices based on economy, energy security and environmental considerations.

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 of power;
- Quality power;
- Optimum power 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 Red Herring Prospectus, including the information contained in the section entitled "Risk Factors," beginning on page xiii of the Red Herring Prospectus.

In this section, a reference to the "Company" means JSWEL. Unless the context otherwise requires, references to "we", "us", or "our" refers to JSWELand its Subsidiaries, taken as a whole.

Overview

We are an established energy company with 860 megawatts, or MW, of operational generating capacity and 2,790 MW of generating capacity in the construction or implementation phase, 135 MW of which has been commissioned. In addition, we have power generation projects at an early stage under development with a proposed combined installed capacity of 7,740 MW. We believe that we are one of the early entrants in the power trading business. Currently most of our revenue is derived from power generation. It is our goal and strategy to become a leading full-service integrated power company in the Indian power sector with presence across the value chain. As part of that strategy and with the aim of managing sustainable growth and reducing potential constraints on such growth, we have entered into various joint ventures for the development of transmission lines for our power generation projects, coal and lignite mining to procure captive fuel supply for certain of our power generation projects and the manufacture of steam turbines and generators for power plants. We are currently exploring opportunities in coal mine acquisitions, power distribution business and generation through non-conventional energy sources.

We were incorporated in 1994, with the objective to develop, construct and operate power plants. We have been in the business of power generation since 2000 and our consolidated revenues increased from Rs. 13,260.74 million in fiscal 2008 to Rs. 18,521.61 million in fiscal 2009, an increase of 39.67%. For the six months ended September 30, 2009, our profit after tax was Rs 2,675.79 million, which is almost equal to our profit after tax for fiscal 2009. Our employee base increased from 414 employees in fiscal 2008 to 665 employees in fiscal 2009. We believe we have realized our growth because we are an established power company with a track record, operational efficiency, industry experience, and a deep understanding of the power industry in India. We are a part of the JSW Group, headed by Mr. Sajjan Jindal, which is in turn a part of the O.P. Jindal Group. The JSW Group had revenue in excess of Rs. 168,000 million for the year ended March 31, 2009. As at September 30, 2009, the JSW Group employed more than 8,500 employees. The JSW Group has a presence in the steel, power, cement, software, and infrastructure sectors. As part of the JSW Group, we benefit from group synergies, including access to talent, competitive commercial terms, and access to critical equipment and suppliers.

Our power plants are planned to be diverse in geographic location, fuel source and off-take arrangements. As part of our power generation business, we currently own and operate power plants in Karnataka with an aggregate capacity of 860 MW, have commissioned 135 MW of RWPL's 1,080 MW power plant in Rajasthan and, based on our internal estimates, we expect to commission power plants with a further 570 MW of capacity, comprising 2x135 MW of RWPL's 1,080 MW power plant in Rajasthan and 1x300 MW of JSWERL's 1,200 MW power plant in Maharashtra, in fiscal 2010. We are also expanding our generation capacity by an additional 1,575 MW, which based on our internal estimates, we expect to commission by fiscal 2011 through the remaining 5x135MW units of RWPL's 1,080 MW power plant in Rajasthan and the remaining 3x300 MW of JSWERL's 1,200 MW power plant in Maharashtra. In addition, we expect to have additional aggregate generation capacity of 8,250 MW through our projects under implementation and development. Each project is planned to be strategically located either near an available fuel source, load centre or infrastructure facilities.

We sell power through a combination of long-term and short-term power purchase arrangements and through the power exchanges in India to state-owned utilities, power trading companies and some industrial consumers. Without compromising our risk management policies, our profitability over the past three years has significantly improved as we have increased the sale of power through short-term power purchase agreements in lieu of long-term power purchase agreements from 0% in fiscal 2005 to 61% in fiscal 2009 of our total power sold during those fiscal years. We sell power on a short-term basis through our power trading company, JSWPTC, pursuant to a MoU with JSWPTC.

We have been engaged in power trading activities since June 2006. The Central Electricity Regulatory Commission, or "CERC", has granted us a "F" category license which is the highest license category available to trade power in India.

We have entered into joint ventures in mining, the manufacture of steam turbines and generators and power transmission. Our mining joint ventures relate to allocations of coal and/or lignite blocks which we have received and will provide a captive fuel source for our projects in Rajasthan and Chhattisgarh. We expect our joint venture in equipment manufacture to provide us with high quality steam turbines and generators for our power generation business at competitive prices. We have entered into a joint venture agreement with the Maharashtra State Electricity Transmission Company Ltd ("MSETCL") and have incorporated a joint venture company, Jaigad PowerTransco Limited ("JPTL") to build and own transmission systems and to carry out all transmission related activities.

We have a track record in the development and management of power projects and power plants. We also provide operation and maintenance services for power plants of a group company.

Our 260 MW power plant in Karnataka has received the National Award to Power Utilities for Meritorious Performance for fiscal 2007 and fiscal 2008 from the Ministry of Power, Government of India, the National Award for Excellence in Thermal Power Generation by IEEMA and various other awards at state and regional levels.

Our consolidated revenues increased from Rs. 13,260.74 million in fiscal 2008 to Rs. 18,521.61 million in fiscal 2009, an increase of 39.67%. Our consolidated revenues increased from Rs. 7,870.89 million in the six months ended September 30, 2008 to Rs. 8,753.50 million in the six months ended September 30, 2009, an increase of 11.21%. Our profit after tax declined from Rs. 6,252.73 million in fiscal 2008 to Rs. 2,766.92 million in fiscal 2009, a decrease of 55.75%, primarily due to extraordinary income of Rs. 3,275.63 million earned from sale of CERs during fiscal 2008. Our profit after tax increased from Rs. 1,343.96 million in the six months ended September 30, 2008 to Rs. 2,675.79 million in the six months ended September 30, 2009, an increase of 99.1%.

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

Merger

Pursuant to a scheme of arrangement approved by the court, JSW Energy (Vijayanagar) Limited ("JSWEVL") and JSW PowerTransco Limited were merged with our Company, with the appointed date of April 1, 2008 and the Company being the surviving entity. In respect of our merger, Rs. 914.80 million was credited to our General Reserve account instead of our Capital Reserve account. This treatment is in compliance with paragraph 23 of Accounting Standard (AS) 14 "Accounting for Amalgamations", as the scheme of merger approved by the High Court provided for the credit to our General Reserve account. For further details, please see Note 3(i) of our Standalone Financial Statements and Note 6(j) of our Consolidated Financial Statements.

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 company*. We have been in the business of power generation since 2000. We have been able to identify new opportunities, capitalize on our strengths, position ourselves as an early participant in power trading, and have planned expansions to our generation assets through a structured approach.

  We have a track record of operating our power projects in an efficient manner. For example, for our 260 MW operational power plant ("JSWEL–SBU I"), we have achieved the following performance parameters which demonstrate efficient plant operation:

  - a high plant availability, with an average of 96.62% since commercial operation began in 2000 through March 31, 2009;

  - a high plant load factor, or "PLF", with an average PLF of 93.44% from the date of achieving commercial operation in 2000 through March 31, 2009;

  - low percentage of auxiliary consumption of our operational power plant, with an average of

6.97% from the date of achieving commercial operation in 2000 through March 31, 2009; and

- continuous improvement in heat rates resulting in efficient fuel usage, the heat rate improved from 2,565 Kcal/kWh in fiscal 2001 to 2,321 Kcal/ kWh in fiscal 2009.

For our newly operational 600 MW JSWEL-SBU II power plant, we stabilized the performance parameters of each 300 MW unit within a month of the commissioning of its operations and we have achieved a high plant availability of 92.06% and 100.00% and a high plant load factor of 80.90% and 92.62% for the first 300 MW unit and the second 300 MW unit, respectively, during the period from the commercial operation date of each unit, which was July 1, 2009 and September 1, 2009, respectively, until September 30, 2009.

- *Visibility on projects expected to be completed between November 2009– April 2011 and pipeline of additional power projects under implementation and development*. We believe that our project management expertise allows us to 'fast-track' several power projects at the same time so that revenues can be realized from these projects on an accelerated basis. In July 2009 and September 2009, we commenced commercial operation of the first 300 MW unit and the second 300 MW unit, respectively, of our 600 MW power plant in Karnataka, which has begun to generate revenue for us. For our two projects with an aggregate capacity of 2,280 MW, comprising of JSWERL's 1,200 MW in Ratnagiri and RWPL's 1,080 MW in Rajasthan, currently under construction, we were able to achieve financial closure after having obtained necessary construction approvals from respective state governments, taken possession of land, and placed orders for all critical long-delivery orders for plant and equipment. In August, 2009, we also commissioned the first 135 MW unit of RWPL's 1,080 MW power plant in Rajasthan and expect to achieve commercial operation of this 135 MW unit by the end of November 2009. We believe these two projects are ahead of schedule and will commence commercial operations by April 2011.

  Our six power generating assets under operation, construction and implementation have an aggregate capacity of 3,650 MW. These projects have all been structured to capitalize on a matrix of benefits including fuel type, fuel location, site location, load centres, and infrastructure availability.

  We plan to complement these projects with a further 7,740 MW comprising four additional projects which are currently under development. These projects are expected to achieve commercial operation between August 2014 and August 2015.

- *Fuel tie-up and diversification of fuel supply*. We have achieved long-term fuel linkages for all our projects under operation, construction and implementation thereby ensuring fuel availability. We have taken steps to secure domestic coal linkages for certain of our projects which will reduce costs and reliance on imported coal, especially exposure to the price volatility, and permit us to expedite certain of our projects under development. A 'coal linkage' is a long-term supply contract for delivery of coal meeting specific contract specifications.

- *Off-take arrangements*. Our power off-take arrangements reflect a careful balance between risk, cashflows, and revenue through a mix of long-term and short-term power purchase arrangements. Under the long-term arrangements we also have different types of arrangements:

  - a state government approved tariff for the 1,080 MW RWPL project;

  - a two part-tariff for part of JSWEL generation assets; and

  - competitive bidding for 50% of the 1,200 MW JSWERL project.

  Under the short-term arrangements, we sell power to power trading companies and through the power exchanges, the Power Exchange of India Limited ("PXIL") and the Indian Energy Exchange ("IEX").

- *Experience in Project Management.* We and the JSW Group have a track record of building and commercially operating five power plants with a total generating capacity of 1,150 MW, comprising of JSWEL SBU-I's operational 260 MW power plant in Karnataka, JSWEL SBU-II's 600 MW power plant in Karnataka, JSWSL's 100 MW combined gas fired power plant at Karnataka, JSWSL's 130 MW coke oven heat recovery based power plant at Karnataka and Southern Iron and Steel Company

Limited's 60 MW (2 x 30 MW) gas and coal based power plant at Tamil Nadu. On account of this expertise, we have gained valuable insights and developed direct relationships with vendors and equipment suppliers and are currently constructing and implementing five power plants at four locations capable of generating power aggregating to 2,790 MW. Based on progress to date, we believe that a majority of the projects currently under construction and implementation are likely to achieve commercial operation on or earlier than the scheduled commercial operations date specified by lenders. We have achieved timely financial closure, for two of our projects aggregating to a generation capacity of 2,280 MW and for our transmission line construction project. We have applied for revalidation of sanction letters for our two projects under implementation with an aggregate capacity of 510 MW. On account of timely achievement of financial closure, we have commenced work on certain of our projects ahead of schedule.

- *Experienced and Qualified Management.* We are a professionally managed company with an experienced management team possessing extensive industry experience. Our key management personnel have successfully implemented several power plants, including five power plants within the JSW Group. We believe our experienced management team, combined with our sound internal controls and risk management measures help maintain our competitive advantage in the marketplace.

- *Financial Profile.* We are an established operating company with a track record. Our net worth has grown from Rs. 9,315.31 million in fiscal 2005 to Rs. 14,777.67 million in fiscal 2009, primarily due to profits from our operations. On account of our financial profile, including internal accruals, we have been able to raise Rs. 89,550 million of financing for our JSWEL SBU-II, JSWERL, JPTL and RWPL projects, Rs. 60,887.23 million of which has been disbursed as of September 30, 2009.

- *The JSW Group.* We are a part of the O.P. Jindal Group, one of India's well-known business groups with over three decades of business experience in various sectors. Within the O.P. Jindal Group, we operate as part of the JSW Group. The JSW Group is a diversified business group with interests in the steel, power, cement, software and infrastructure sectors. We believe that we achieve group synergies, including access to talent, securing competitive commercial terms, and sourcing critical equipment and supplies. In addition, the JSW Group has established relationships and a track record with major coal mining companies and traders.

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 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, the total peak shortage was 15,344 MW in June 2009. As per the IEP Report, Expert Committee on Power, in the 11th Plan (2007-2012), a capacity addition of 71 Gigawatts ("GW") and 84 GW, assuming a 8.0% and 9.0% GDP growth rate, respectively, would be required by 2012. Given our experience in project management, we believe that we are well-positioned to capitalize on this growth through our projects under construction, implementation and development.

- *Achieve End-to-End integration*. We intend to build an integrated energy business with a reliable fuel supply and a presence across generation, transmission, distribution and power trading through conventional and non-conventional energy sources. To achieve an end-to-end integrated energy business model, we are pursuing organic and in-organic growth as well as partnering with well-known equipment manufacturers and suppliers. Further, to improve our operational efficiency and strengthen our results of operations, we may consolidate the operations of our subsidiaries into our Company from time to time.

- *Ensure fuel security*. We intend to continue to obtain fuel security by acquiring coal assets abroad or through captive coal allocations domestically. In order to ensure this, we intend to evaluate different options including equity participation in, and joint development of mines through, special purpose entities. This will enable us to achieve long-term fuel availability, reduce reliance on imported coal, and mitigate our exposure to the price volatility.

- *Continue a structured approach to expand and diversify our portfolio of power generation assets*. We plan to expand our generation capacity and development efforts in order to capitalize on the prevailing and foreseeable future imbalance between electricity demand and supply in India. We intend to pursue a structured approach to achieve this growth by capitalizing on our strengths and synergies with our existing businesses for greater profitability and diversification of our risks. As part of this approach, we believe the following are key factors in determining the expansion of our generation assets:

- Location: either near a fuel source or near a load center, to be able to supply power competitively;

- Power deficits and network constraints: take advantage and profit from regional demand and supply patterns, capacity shortages, transmission constraints throughout India;

- Fuel sourcing: to opportunistically source fuel for our generating assets from various locations; and

- Diversity: diversify our generating asset and fuel mix portfolios.

We also intend to develop most of our power projects under development in a 660 MW or 800 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.

We will also consider building generation assets based on other forms of energy sources including non-conventional and renewable energy resources including solar, wind and nuclear power.

- *Maintain an optimal combination of long-term and short-term power off-take agreements*. We plan to maintain an optimal combination of long and short-term power purchase agreements, or "PPAs," to mitigate the risks and optimise returns to stakeholders. To achieve a balanced portfolio in view of the nature of the power sector in India and the uncertainties related to costs, it is our intention to sell power generated close to load centers in approximately equal proportions under long-term and short-term PPAs. In contrast, in other locations, the proportion of power sold under long-term PPAs may exceed power sold under short-term PPAs. We believe this will enable us to take advantages of the emerging power scenario in India.

- *Continue to recruit, retain and train qualified personnel*. We plan to continue to recruit, retain and train *qualified personnel* for our sub-critical and super-critical technology. To achieve this, we have established the JSW Energy Centre of Excellence ("JSWECE"), equipped with a contemporary power plant simulator, with the object of training engineers in the operation and maintenance of thermal power plants. JSWECE signed a MoU with M.S. Ramaiah Institute of Technology, Bangalore on June 23, 2009 for providing a one-year full time post-graduate diploma in power plant engineering for engineering graduates which commenced on August 17, 2009.

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 the project 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 two projects in the operational phase:

- JSWEL-SBU I's 260 MW power plant located in Karnataka; and

- JSWEL-SBU II's 600 MW plant located in Karnataka.

‘***under construction***’, if financial closure has been achieved and one or more of the following activities is in progress: engineering, erection, installation, construction, commissioning, start-up, demonstration and testing, and training of personnel in the operation and maintenance of the project. We refer to “financial closure” as the first date on which the financing documents providing for funding by the banks have become effective and all initial pre-commitment conditions precedent are satisfied to the extent they have not been waived. We currently have two projects in the construction phase:

- JSWERL’s 1,200 MW power plant located in Maharashtra; and
- RWPL’s (Phase I) 1,080 MW power plant located in Rajasthan.

‘***under implementation***’, if the project has been awarded, the detailed project report has been prepared and/or the principal project agreements (such as an implementation agreement, power off-take or fuel supply agreements or plant and equipment supply contracts) will be entered into within the specified time periods, if required. Also financial closure has not occurred but a sanction or commitment letter has been received from lenders. Our efforts during this phase are primarily focused on signing key documents (such as implementation agreement, power off-take or fuel supply agreements), obtaining all required approvals, appointing independent consultants, and placement of orders for plant and equipment with vendors and suppliers. We currently have two projects under implementation:

- RWPL’s (Phase II) 270 MW power plant located in Rajasthan; and
- JSWEL (Kutehr)’s 240 MW hydroelectric power plant located in Himachal Pradesh.

‘***under development***’, if the Board of Directors have approved the project and the JSW Group either has possession of the required land or has identified a fuel source or we have received a letter of intent from a government entity awarding the project to us (or the consortium), or we have signed a MoU. During the development phase, we may not have a sanction or commitment letter nor do we have permits, licences, clearances or approvals from the relevant government authorities. Our projects under development include:

- 3,200 MW coal based power plant in Maharashtra;
- 1,320 MW coal based power plant in Chhattisgarh;
- 1,600 MW coal based power plant in West Bengal; and
- 1,620 MW coal based power plant in Jharkhand.

The following table summarizes certain key features of our power plants which are operational, under construction or under implementation and which have an aggregate capacity of 3,650 MW:

Facility	**JSWEL (SBU I)**	**JSWEL (SBU II)[1]**	**JSWERL**	**RWPL (Phase I)**	**RWPL (Phase II)**	**JSWEL (Kutehr)**
Specifications						
Gross Capacity	260 MW	600 MW	1200 MW	1,080 MW	270 MW	240 MW
Contract Capacity	2x130 MW	2x300 MW	4x300 MW	8x135 MW	2X135 MW	3X80 MW
Our Participation Interest as of March 31, 2009	OWN	OWN	100%	100%	100%	OWN
Status	Operational	Operational	Under Construction	135 MW commissioned in August 2009 7x135 MW under	Under Implementation	Under Implementation

Facility	JSWEL (SBU I)	JSWEL (SBU II)[1]	JSWERL	RWPL (Phase I)	RWPL (Phase II)	JSWEL (Kutehr)
				Construction		
Procurement Status	N/A	N/A	Major orders have been placed	Major orders have been placed	BTG orders have been placed	Work-in-progress to finalise technical specifications
Location	Karnataka	Karnataka	Maharashtra	Rajasthan	Rajasthan	Himachal Pradesh
Fuel	Coal / Gas	Coal	Coal	Lignite	Lignite / Coal	Hydro
Expected Commercial Operation Date	Operational since 2000	Operational since September 2009 [2]	April 2011[3]	April 2011[3]	January 2013[4]	December 2015[5]
Financial information						
Estimated Original Project Cost	N/A	Rs. 18,600 million	Rs. 45,000 million	Rs. 50,000 million	Rs. 13,500 million	Rs. 19,152 million
Amount Deployed as of October 31, 2009	N/A	Rs. 17,841.40 million	Rs. 27,866.10 million	Rs. 40,399.40 million	Rs. 617.6 million	Rs. 129.30 million
Power Off-take Arrangements						
Type	Short-Term	Short-Term and Long Term	Short-Term and Long Term	Long-Term	Short-Term	Short-Term[6]
Expires	Not applicable due to short-term nature of off-take	10 years from COD	One PPA for 300 MW expires 12 years from COD. The other PPA for 300 MW expires 25 years from COD.	30 years from COD	Not applicable due to short-term nature of off-take	Not applicable due to short-term nature of off-take
Fuel Supply Arrangements						
Supplier	JSWSL[7]	PT Sungai Belati Coal[7]	PT Sungai Belati Coal	BLMCL	BLMCL and PT Sungai Belati Coal	N/A
Term Expiration	2031	2034	2034 and 2030	30 years from COD	2034	N/A

(1) *JSW Energy (Vijayanagar) Limited merged with JSWEL and is designated as JSWEL (SBU II). The appointed date of the merger was April 1, 2008.*

(2) *The 1st 300 MW unit commenced commercial operations on July 1, 2009 and the 2nd 300 MW unit commenced commercial operations on September 1, 2009.*

(3) *Based on the scheduled completion date or commercial operation date specified in financing documents or in accordance with lender appraisal or sanction letter.*

(4) *Based on the scheduled completion date or commercial operations date specified in financing documents which is expected to be 36 months from the financial closure date, and financial closure is expected to be in January 2010.*

(5) *Based on the scheduled completion date or commercial operations date specified in financing documents which is expected to be 72 months from the financial closure date, and financial closure is expected to be in December 2009.*

(6) *Part of the power generated at this facility is required to be given to the Government of Himachal Pradesh.*

(7) *We have also applied for a domestic coal linkage.*

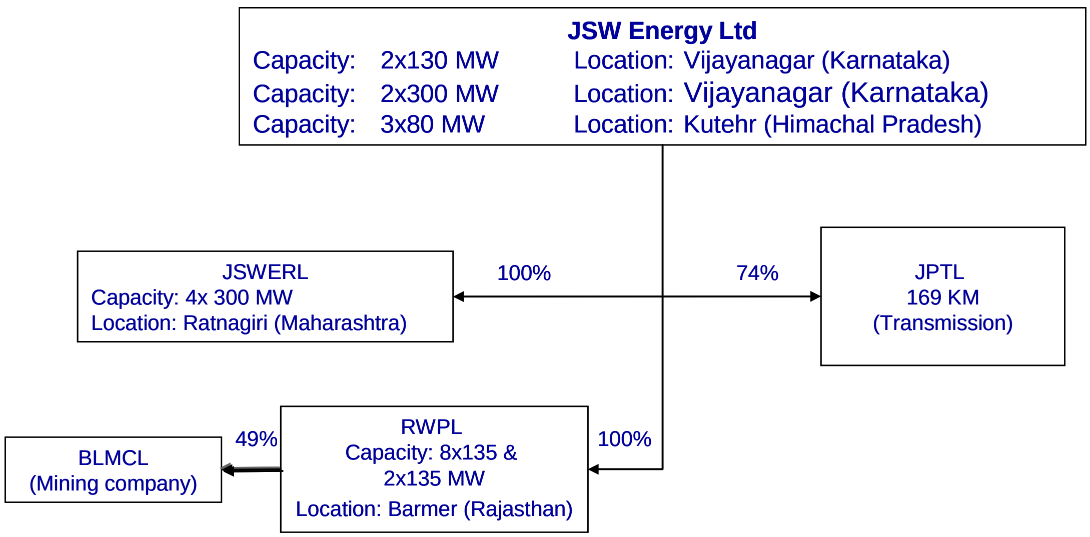
Projects Under Development

Location	Capacity (MW)	Estimated Project Costs(1) (Rs. in million)	Fuel	Expected Commercial Operations Date(1)
Maharashtra	3,200	150,006.80	Imported Coal	April 2015
Chhattisgarh	1,320	65,000.00	Domestic Coal	August 2014
West Bengal	1,600	76,800.00	Domestic Coal	February 2015
Jharkhand	1,620	79,380.00	Domestic Coal	August 2015

(1) Based on reports by independent engineers.

For details of the plant and machinery ordered for our power plants under construction and implementation, see "Objects of the Issue" on page 39 of this Red Herring Prospectus.

The following chart outlines the corporate organizational structure of our power projects that are under construction and development:



Our Operational Projects

1. **JSW Energy Limited – SBU I ("JSWEL–SBU I") – 260 MW Power Plant, Vijayanagar, Karnataka**

Overview

We own and operate a 2 x 130 MW dual fuel (coal and gas) power plant in Vijayanagar, Karnataka on land that we own. The 260 MW power plant has been operational since 2000 and the quality and environmental management systems are certified to be in compliance under ISO 9001:2000, ISO 14001:2004 and OHSAS 18001:2007. Operation and maintenance of this power plant is handled internally by us. The 260 MW power plant has operated at a PLF averaging 93.44% and an availability factor averaging 96.62% for the period from the date of achieving commercial operation in 2000 to March 31, 2009. The 260 MW power plant has also continuously improved its heat rate from 2,565 Kcal/ kWh in fiscal 2001 to 2,321 Kcal/ kWh in fiscal 2009.

The power plant operates on a combination of coal and gas which is a by-product of JSWSL's steel plant. The fuel is sourced from JSWSL which is located on a site adjacent to the JSWEL-SBU I power plant. By using gas, we have reduced our environmental emissions and have earned and realized carbon credits, or "CERs." The income earned from this power plant is exempt from income tax under Section 80IA under the I.T. Act until fiscal 2013.

Fuel and Water Supply

On December 7, 2001, JSWEL entered into an agreement with JSWSL for the supply of fuel and water to the JSWEL power plant. JSWSL is obligated to provide fuel (coal or gas) and water as required by JSWEL to generate up to 260 MW. The term of this agreement is until 2031. JSWSL has the option of providing fuel by way of a mixture of gas or coal in any proportion. Currently, JSWSL is providing a significant portion of fuel in the form of coal, while in the past JSWSL has supplied fuel with significant portion being in the form of gas. JSWSL sells coal and water to JSWEL at cost. The gas sold by JSWSL is priced at the cost of coal with equivalent calorific value.

JSWEL has also applied to the Ministry of Coal, Government of India, for a long-term coal linkage for its 260 MW power plant in order to reduce costs and to reduce reliance on fuel supply from JSWSL.

We recycle water used in power production to the maximum possible extent to attain zero discharge.

Power Off-take Arrangements

We currently sell power under two power off-take arrangements:

- a long-term PPA with JSWSL; and
- short-term PPAs with JSWPTC.

Long-term PPA with JSWSL. JSWEL entered into a power off-take agreement with JSWSL on August 31, 2006. The term of this PPA is until March 31, 2012. Under this PPA, JSWSL will purchase a quantity of power as mutually agreed. The tariff is fixed at Rs. 2.60 per kWh, assuming a fuel cost of Rs. 1.30 per kWh. To the extent the fuel cost per kWh varies from Rs. 1.30 per kWh, a corresponding adjustment is made to the tariff of Rs. 2.60 per kWh.

Short-term PPA with JSWPTC. To the extent that we do not sell power to JSWSL under the long-term PPA, we sell surplus power to JSWPTC. Since July 2006, we have sold power to JSWPTC under short-term agreements which provide for the delivery of power from several hours up to 11 months in duration. We entered into a MoU with JSWPTC on January 8, 2008 for the supply of surplus power after meeting our requirements under long-term PPAs. For further details of our MoU with JSWPTC see "Description of Certain Key Contracts" on page 109 of this Red Herring Prospectus.

As of September 30, 2009, we sold 90.22% of power under short-term PPAs and through the power exchanges and 9.78% of power under long-term PPAs. We expect to continue to sell substantial power under short-term PPAs and through the power exchanges going forward.

2. JSWEL-SBU II - 600 MW Power Plant, Vijayanagar, Karnataka

Overview

We have commenced commercial operations in our 2x300 MW units of our coal based power plant in Vijayanagar, Karnataka on land that we own. The first 300 MW unit was commissioned in April 2009 and commenced commercial operations on July 1, 2009. The second 300 MW unit was commissioned in late July 2009 and commenced commercial operations on September 1, 2009. This project previously formed part of JSWEVL which merged with JSWEL under a court sanctioned scheme of arrangement with the appointed date being April 1, 2008, and is now referred to as JSWEL-SBU II ("JSWEL-SBU II").

Fuel Supply Arrangements

We are currently purchasing a majority of our fuel requirement from the open market and a portion of the power plant's fuel requirements are satisfied by our contracts with Sungai Belati. We believe the power plant's fuel requirement will be satisfied in full over a period of two years by the fuel supply agreement described below with Sungai Belati.

Under a coal sales purchase contract dated December 26, 2007, JSWEVL, now JSWEL-SBU II, agreed to purchase annually approximately one million metric tons of steam coal meeting certain quality parameters including a gross calorific value of 5000-5500 Kcal/kg. On July 10, 2009, this agreement was amended to provide for a change in the purchase quantity to 650,000 metric tons per annum of steam coal to be purchased in fiscal 2010 and 2 million metric tons per annum of steam coal to be purchased from fiscal 2011 onwards.

Delivery of coal began in fiscal 2009 and will continue for a term of 25 years. The price formula of coal under this contract is linked to the RB Index, a widely used coal industry index, on the date of the contract. The pricing structure under the contract is as follows:

- If the RB Index does not change from the base index on the date of the contract, the base contract coal price remains fixed at US$35.0 per metric ton, FOBT, port of loading.

- If the RB Index published three weeks prior to the scheduled shipment date is higher than the base index, the contract coal price shall be the base price of US$35.0 per metric ton plus 50% of the difference between the actual RB Index and the base RB Index.

- In the event that the Government of Indonesia imposes a minimum export price for the quantity of coal provided for in the agreement, and such minimum price is higher than the price determined by the above formula, the contract coal price shall be the minimum export price.

Under the contract, JSWEL-SBU II has a first priority over other customers of Sungai Belati in connection with meeting its coal requirements.

JSWEL-SBU II had also applied to the Ministry of Coal, Government of India, for a long-term domestic coal linkage for its power plant in order to reduce costs and to reduce reliance on imported coal, especially exposure to the price volatility of the RB Index.

To transport coal from the Indonesian loading port, JSWEL has entered into two freight rate contracts, one with Kawasaki Kisen Kaisha Limited, Tokyo Japan and the other with Oldendorff Carriers Gmbh & Co., a German company, for the transport of approximately 5.0 million tons of coal annually from Indonesia to specified ports in India, with the terms of these contracts being 15 years starting from first half of calendar year 2009 and January 2010, respectively. The basic freight rate under these contracts ranges from US$6.65 to US$9.65 per metric ton depending on the port of delivery. These contracts are expected to fulfil the shipping requirements of coal for JSWEL and JSWERL's power plants.

Power Off-take Arrangements

We sell power under the following power off-take arrangements:

- a long-term PPA with JSWSL for 300 MW;

- a long-term PPA with JSWCL for up to 6 MW with an option to procure additional power of up to 18 MW; and

- short-term PPAs for the balance.

Long-term PPA with JSWSL. JSWEL-SBU II entered into a power off-take agreement with JSWSL on September 21, 2006 to supply power for a period of 10 years from the date the project achieves commercial operation. Under this PPA, JSWSL has agreed to purchase 300 MW of capacity from the power plant. The amount payable under the PPA is the sum of the following:

- a fixed charge component comprising depreciation, interest expenses, O&M expenses and insurance, and a return on equity equal to 20%;

- a variable energy charge comprising the actual cost of fuel; and

- an incentive payment of Rs. 0.25 per kWh for power supplied in excess of a PLF of 85%. In the event the power plant is unable to achieve a PLF of 85%, the fixed charge is adjusted for the shortfall in generation below a PLF of 85% and JSWEL is liable to pay a penalty equal to 20% of the fixed charge on the units under shortfall.

Long-term PPA with JSWCL. JSWEL-SBU II, entered into a power off-take agreement with JSWCL on October 1, 2008, which superseded the previous PPA entered into by the parties on November 13, 2006. The term of this agreement is 10 years from September 1, 2009, the date of commencement of supply under this agreement. Under this PPA, JSWCL has agreed to purchase 6 MW of capacity from the power plant. The amount payable under this PPA is based on similar pricing structure as the PPA with JSWSL described above, except that there is no incentive payment payable and the fixed charge component includes return on equity equal to 50%.

JSWEL-SBU II, entered into a supplemental agreement to the PPA with JSWCL on December 10, 2008, pursuant to which, on the condition that JSWCL is able to increase its operational capacity, JSWCL agreed to purchase and JSWEL agreed to supply, additional power of up to 18 MW on the same terms and conditions as the original PPA from March 2010 or such other date as mutually agreed between the parties.

Short-term PPAs. The balance of available power from the power plant will be sold to JSWPTC under short-term PPAs and through power exchanges. We entered into a MoU with JSWPTC on January 8, 2008 for the supply of surplus power after meeting our requirements under long-term PPAs. For further details of our MoU with JSWPTC see "Description of Certain Key Contracts" on page 109 of this Red Herring Prospectus.

Financing Arrangements

The estimated total cost of the 600 MW project is Rs 18,600.0 million. As of October 31, 2009, we have spent Rs. 17,841.40 million on the construction and development of this project. The Government of Karnataka approved the project on October 12, 2006. The debt component of the project cost is Rs. 13,950.0 million, for with which JSWEL-SBU II has entered into financing documents with a consortium of banks led by IDBI Bank Limited.

The working capital assessment for the 600 MW power plant has been completed and the maximum amounts that can be withdrawn under the working capital facility have been sanctioned by various banks.

Others

Water for the project is provided by JSWSL. Similarly, the entire imported coal is handled by JSWSL and JSWSL charges fees for the same. For further details of our coal handling and water supply agreement with JSWSL see "Description of Certain Key Contracts" on page 109 of this Red Herring Prospectus.

JSWEL-SBU II has received the necessary approvals for the evacuation of up to 600 MW of power through the state grid and the necessary infrastructure has been built as part of the project.

Projects under Construction

1. JSW Energy (Ratnagiri) Limited ("JSWERL") – 1,200 MW Coal-Fired Power Plant, Ratnagiri, Maharashtra

Overview

JSWERL is constructing a 4 X 300 MW coal-fired power plant in Ratnagiri, Maharashtra. This project requires a total area of 360 acres, which we have acquired through a combination of purchase and leasing. JSWERL has purchased 138 acres, constituting 38.33% of the total land required and 222 acres, constituting 61.67% of the total land required, has been leased for a period of 50 years.

This project was awarded to JSWEL pursuant to a MoU with the Government of Maharashtra on June 10, 2005 for a 1,000 MW power plant. On June 13, 2006, JSWERL was incorporated by JSWEL to implement this project. Under the MoU, the Government of Maharashtra has agreed to provide certain administrative and fiscal support, assist in obtaining all state government clearances, facilitate the strengthening and creation of roads, provide rights of way over land, provide reliable water supply, and assisting JSWEL in obtaining the required fuel supplies.

The independent engineering firm appointed by the lenders to this project prepares a quarterly construction progress report for this project. According to the July 2009 report, as of July 2009, boiler drums for the first three 300 MW units have been lifted, work for the first unit of 300 MW is about 80% complete, work on this project overall is about 55% complete, procurement work is about 100% complete and engineering work (which includes engineering, the preparation of civil drawing and site supervision) is about 67% complete.

We expect to complete construction and achieve commercial operation of the first 300 MW unit by January 2010 and each subsequent unit at 3 month intervals, and of the entire project in October 2010. If we meet this timeline, the project would achieve commercial operation earlier than April 2011, which is the scheduled commercial operation date specified under the financing documents. We have applied to the Ministry of Power, Government of India, for 'mega power' status for the project. If this application is approved, we will be entitled to certain excise and custom duties exemptions. See "Industry Overview — Mega Power Projects" on page 72 of this Red Herring Prospectus for more details on benefits available to a 'mega power' project. The total cost with mega project status is estimated to be Rs. 45,000.0 million. As of October 31, 2009, we have spent Rs. 27,866.10 million on the project.

Fuel Supply

We believe the power plant's fuel requirement is satisfied in full by a fuel supply agreement with Sungai Belati.

Under a coal sales purchase contract dated December 26, 2007 with Sungai Belati and an amendment agreement dated July 10, 2009, JSWERL agreed to purchase approximately 250,000 metric tons per annum of steam coal in fiscal 2010, 3.3 million metric tons per annum of steam coal in fiscal 2011 and 4 million metric tons per annum of steam coal in fiscal 2012, with an option to purchase an additional one million metric tons per annum of steam coal in fiscal 2014 and 5.5 million metric tons per annum of steam coal from fiscal 2015 onwards. The coal must meet certain quality parameters including a gross calorific value of 5000-5500 Kcal/kg. This tonnage is expected to be sufficient to meet the requirement of the plant.

Delivery of coal will begin in fiscal 2010 and will continue for a term of 25 years. The price of coal under the contracts are linked to the RB Index on the date of the contract. See "— Our operational Projects — 2. JSWEL–SBU II — 600 MW Power Plant, Vijayanagar, Karnataka — *Fuel Supply Arrangements*" for details of the pricing structure under the contract.

Under the contract, JSWERL has a first priority over other customers of Sungai Belati in connection with meeting its coal requirements.

As disclosed previously, to transport coal from the Indonesian loading port, JSWEL has entered into two freight rate contracts, one with Kawasaki Kisen Kaisha Limited, Tokyo Japan and the other with Oldendorff Carriers Gmbh & Co., a German company. See "— Our operational Projects — 2. JSWEL–SBU II — 600 MW Power Plant, Vijayanagar, Karnataka — *Fuel Supply Arrangements*" for details relating to the freight rate contacts.

Additionally, JSWEL has also entered into an agreement with Kawasaki Kisen Kaisha Limited., Tokyo Japan for the transport of approximately 10.0 million tons of coal annually from Indonesia to specified ports in India. This contract has a term of 10 years commencing in 2012. The basic freight rate under the contract is at US$9.30 per metric ton.

Power Off-take Arrangements

We propose to sell power under the following power off-take arrangements:

- a long-term PPA with Maharashtra State Electricity Distribution Company Limited ("MSEDCL") for 300 MW;
- a long-term PPA with Adani Enterprises Limited ("AEL") for 270 MW of net capacity out of 300 MW; and
- short-term PPAs for the balance.

Long-term PPA with MSEDCL. We participated in a competitive bidding process for the sale of 300 MW of power to MSEDCL and were selected as the successful bidder. We subsequently entered into a long-term PPA with the MSEDCL on January 15, 2009 to supply power to MSEDCL for a period of 25 years from the earlier of the date the first unit of the project achieves commercial operation or October 1, 2010. This PPA is subject to approval by MERC, which MSEDCL has applied for and is currently pending. MSEDCL has agreed to open a monthly revolving and irrevocable letter of credit in our favour towards payment of its monthly bill. Under the PPA, we are obligated to begin supplying power on the date the power plant commences commercial operation. We have agreed to sell to MSEDCL up to 300 MW of power from the project, however, we may sell surplus power to third parties in the event that there is available capacity which has not been dispatched by MSEDCL or with the prior written consent of MSEDCL.

The tariff under this PPA includes:

- a capacity charge and energy charge;
- escalation on fuel charges related to foreign currency fluctuations and fuel price variations as declared by CERC;
- escalation on a certain portion of capacity charges; and
- an incentive payment at a rate of 40% of the capacity charge, up to a maximum of Rs. 0.25 per kWh, shall be payable if power is supplied in excess of a PLF of 80%. In the event the power plant is unable to achieve a PLF of 80%, the fixed charge is adjusted for the shortfall in generation below a PLF of 75% and JSWERL is liable to pay a penalty equal to 20% of the fixed charge on the units under shortfall.

For further details of our PPA with MSEDCL see "Description of Certain Key Contracts" on page 109 of this Red Herring Prospectus.

JSWERL has satisfied pre-qualification "RfQ" criteria and has been short-listed to participate under the second step "RfP" bidding for the sale of 300 MW of power to PCKL out of a total of 2,500 MW which PCKL requires. If it is the successful bidder, JSWERL expects to enter into long-term PPAs with PCKL.

Long-term PPA with AEL. On February 14, 2009, we entered into a long-term PPA with AEL for the supply of 270 MW of net capacity out of 300 MW of unit 2, to AEL after accounting for auxiliary consumption of power (the "Contracted Capacity"). The term of this PPA is 12 years from the earlier of December 31, 2010 or the date the second unit of the project achieves commercial operation.

Under the PPA, the tariff payable weekly by AEL is a minimum of Rs. 3.00 per kWh on average.

For further details of our PPA with AEL see "Description of Certain Key Contracts" on page 109 of this Red Herring Prospectus.

Short-term PPAs. The balance of available power from the power plant will be sold to JSWPTC under short-term PPAs and through power exchanges. We entered into a MoU with JSWPTC on January 8, 2008 for the supply of surplus power after meeting our requirements under long-term PPAs. For further details of our MoU with JSWPTC see "Description of Certain Key Contracts" on page 109 of this Red Herring Prospectus.

Financing Arrangements

The estimated total cost of the project is Rs. 45,000.0 million, which is being financed with equity of Rs. 11,250.0 million and debt of Rs. 33,750.0 million. This cost estimate assumes that this project is awarded 'mega power' status by the Government of India. JSWERL has entered into financing documents on August 2, 2007 with a consortium of banks led by State Bank of India for an amount aggregating to Rs. 33,750.0 million, of which Rs. 19,135.40 million has been disbursed to us as of October 31, 2009.

Other

The project site is located in close proximity to the sea. A significant volume of the water required for the project will be satisfied by sea water. The raw water will be supplied to the JSWERL power plant facility by Maharashtra Industrial Development Corporation in accordance with a MoU entered into between JSWERL and the MIDC on March 3, 2008 for the supply of water from MIDC's water treatment plant at Nivali to this power plant to meet the water requirements of the project.

JSWERL has entered into an agreement dated June 5, 2007 with JSW Jaigarh Port Limited for handling imported coal. As part of this contract, JSW Jaigarh Port Limited is responsible for storage and delivery of coal of up to 4.0 million tons annually to a stockpile at JSWERL's power plant. The combined cargo handling charges payable by JSWERL is Rs. 285 per ton. Currently a JSW Group company owns 100% of the JSW Jaigarh Port Limited. Construction of the port has already commenced and is expected to be completed by the third quarter of fiscal 2010. For further details of JSWERL's agreement with JSW Jaigarh Port Limited see "Description of Certain Key Contracts" on page 109 of this Red Herring Prospectus.

We have entered into a joint venture with MSETCL to build, own and operate power transmission lines. The first project under this joint venture is the construction of two 400kV transmission lines in the state of Maharashtra which will evacuate power from this power plant to state utility substations located at both New Konya and Karad.

JSWERL does not have any employees and relies on us for several key functions, including, but not limited to, finance, secretarial and project management support services. Please see "Description of Certain Key Contracts – III. Ratnagiri Project – 2. Project Implementation Agreement between JSWERL and JSWEL" on page 123 of the Red Herring Prospectus.

2. Raj WestPower Limited ("RWPL") Phase I – 1,080 MW Lignite-Fired Power Plant, Barmer, Rajasthan

Overview

RWPL is constructing a 8 X 135 MW lignite-fired power plant in Barmer, Rajasthan. Title to the 1,186 acres of land required for the project has been acquired in parts by RWPL from the Government of Rajasthan and the acquisition of all the land was completed on September 3, 2007. We have entered into an implementation agreement with the Government of Rajasthan to develop a 1000 MW power plant. On August 3, 2009, we received approval from the Government of Rajasthan to increase the capacity of this project to 1,080 MW. In February 2006, JSWEL acquired the entire ownership interest of RWPL from a consortium which had been the successful bidder in a competitive bid to build, own, operate and maintain this project.

Lahmeyer International India Private Limited ("Lahmeyer"), has been appointed as the independent engineering firm appointed by the lenders to this project. Lahmeyer is not an associate of our Company, our Promoters or our Promoter Group. Lahmeyer prepares a quarterly construction progress report for this project. According to the June 2009 report, as of May 2009, work on all the chimneys has been completed, the boiler drums for the first 5 units of 135 MW have been lifted, work on this project overall is about 87.87% complete, procurement work is about 92.83% complete and engineering work (which includes engineering, the preparation of civil drawing and site supervision) is about 97.07% complete.

In August 2009, we completed construction and commissioned first 135 MW unit and we expect to complete construction and commissioning for each subsequent unit at a two to three months interval. We expect to achieve full commercial operation of the first unit of 135 MW by the end of November 2009 and commissioning of the entire project by October 2010. If we meet this timetable, the project is likely to achieve commercial operation consistent with the April 2011 scheduled commercial operation date specified under the financing documents. The total cost of the project is estimated to be Rs. 50,000.0 million. As of October 31, 2009, we have spent Rs. 40,399.40 million on the project.

Implementation Agreement between RWPL and the GoR

RWPL entered into an implementation agreement dated May 29, 2006 (the "WestPower Implementation Agreement") with GoR. The agreement provides a broad framework of power purchase arrangements with distribution companies, mining lease and rights to be entered with BLMCL and facilities to be provided by GoR for this project.

Rajasthan Electricity Regulatory Commission, or "RERC," has provided an in-principle approval to RWPL and BLMCL with regard to project cost and setting out the terms for determination of tariff for lignite.

Fuel Supply Arrangements

In accordance with the WestPower Implementation Agreement, the GoR has agreed to provide support for the project. Accordingly, RWPL and Rajasthan State Mines and Minerals Limited ("RSMML") entered into a joint venture agreement on December 27, 2006 (the "RSMML Joint Venture Agreement") to develop and operate the mines for the supply of lignite to the power plant. Under the WestPower Implementation Agreement, RSMML is responsible for procuring mining leases for Jalipa and Kapurdi mines from the GoR and shall transfer such leases to the joint venture entity, Barmer Lignite Mining Company Limited ("BLMCL"). Currently the land acquisition for the mines is being carried out by RSMML in accordance with the RSMML Joint Venture Agreement and the land acquisition officer ("LAO"), RSMML issued an order in respect of the land required for the Kapurdi mines on September 14, 2009. Pending completion of the land acquisition process, RWPL has applied for GoR approval for an alternate fuel source for this project. On February 16, 2009, RWPL received in-principle approval from the GoR to use imported coal as an alternative fuel supply for a period of one year, on the condition that RWPL gets the energy charges and the fuel costs determined by the RERC. RWPL has received the first consignment of imported coal. RWPL plans to use imported coal and lignite for the first 135 MW unit when it commences commercial operations, which is expected to be at the end of November 2009. RSMML has also consented to supply up to 1000 MT per day of lignite from its Matasukh mines in Nagaur for an initial period of 6 months at Rs 1,050 per MT excluding applicable royalties, sales taxes and freight charges.

In accordance with the terms of the WestPower Implementation Agreement, RWPL entered into an exclusive long-term fuel supply agreement dated February 16, 2008 (the "Fuel Agreement") with BLMCL for the supply of lignite mined at the Jalipa and Kapurdi mines to the power plant.

See "— VI. Joint Ventures — 3. Mining" for details of our mining operations.

RWPL also entered into a MoU dated July 1, 2009 with RSMML for the supply of limestone fines to RWPL for use in its 1,080 MW power plant. Under the MoU, the RSMML agreed to sell limestone fines from its Sanu (Jaisalmer) mines at a price of Rs. 160 per MT. This price is to remain in effect up to March 31, 2010, with the subsequent selling price of the limestone fines to be declared by RSMML from time to time. In accordance with the MoU, RWPL will arrange for transportation of limestone fines from RSMML's mine to RWPL's power plant at its own cost. This MoU is valid for a period of five years, with an option to extend for a further period of five years on such terms and conditions as may be mutually agreed upon by the parties. This MoU can be terminated by either party on a three months notice only for reasons that are beyond the control of either party. "Description of Certain Key Contracts — B. Key contracts in relation to our projects — II. Raj WestPower Project — 9. MoU between RWPL and Rajasthan State Mines and Minerals Limited" on page 122 of this Red Herring Prospectus for details of the MoU with RSMML.

Power Off-take Agreement between RWPL and the Rajasthan DISCOMS

RWPL entered into a power purchase agreement dated October 26, 2006 with the three Rajasthan state distribution utilities (the "DISCOMS"). The term of this PPA is 30 years from the date that the last power plant unit achieves commercial operation. Under the PPA, the utilities will collectively purchase all available power from the project in specified proportions.

The entire capacity of the power plant is at all times for the exclusive benefit of the utilities. RWPL is permitted to sell power to a third party if one or more of the utilities refuses power made available to it. Under these circumstances, RWPL is entitled to 50% of any proceeds from the sale of power to a third party in excess of the tariff payable under the PPA. The remaining 50% of such excess proceeds will be shared among the non-defaulting utilities in the ratio of their allocated capacity.

The tariff under the RWPL PPA is determined by RERC under Section 62 of the Electricity Act, 2003 and the regulations thereunder and is based upon the capital cost, transfer price of lignite and cost of generation of power from the power plant project. RWPL has submitted a tariff petition with the RERC to determine provisional tariffs for first two units of the project based on alternate fuel sources at the tariff determination parameters set out in the RERC Tariff Regulation 2009.

Payment Mechanism. The utilities are required to remit the amount payable under monthly invoices. In the event of any delay in payment beyond a period of one month, a late payment surcharge is payable by the utilities. Payments due from the utilities under the PPA are required to be supported by a two-tier credit support mechanism, as follows:

- the utilities are required to open an irrevocable revolving letter of credit for an amount equal to monthly billing computed at 105% of the monthly average bill for the preceding 12 months. The letter of credit shall have a term of 12 months and shall be required to be renewed annually; and

- an unconditional, irrevocable and on demand guarantee from the GoR.

If the credit support mechanism is not implemented by a utility, RWPL has the right to offer the power allocated to such utilities to the non-defaulting utilities. If a non-defaulting utility does not make the election to receive the additional power, RWPL is entitled to sell the defaulting utilities' portion of power to a third party.

Financing Arrangements

The estimated total cost of the project is Rs. 50,000.0 million, which is financed with equity of Rs. 12,500.0 million and debt of Rs. 37,500.0 million. RWPL has entered into financing documents with a consortium of banks led by ICICI Bank Limited, of which Rs. 29,817.90 million has been disbursed to us as of October 31, 2009. We have received sanction letters from two banks comprising 70% of our first year working capital requirement and we expect to receive two additional sanction letters, which are currently pending, by December 2009.

Other

RWPL entered into an agreement with the GoR on February 19, 2007 for the allocation of 80.0 cusecs of water annually to the RWPL project. The term of the agreement is for 30 years from the commercial operation of the RWPL power plant.

The Rajasthan state transmission entity is responsible for the evacuation of power from the facility and developing the related infrastructure. Under the WestPower Implementation Agreement, RWPL has provided a bank guarantee of Rs. 1,000 million in favour of Rajasthan Rajya Vidyut Prasaran Nigam Limited ("RRVPNL") for developing the transmission facility from our switch yard by 400kV/220kV connection points for evacuation of power from the plant. Power evacuation facilities for the first two units have been completed.

RWPL does not have any employees and relies on us for several key functions, including, but not limited to, finance, secretarial and project management support services. Please see "Description of Certain Key Contracts – III. Raj WestPower Project – 4. Project Implementation Agreement between RWPL and JSWEL" on page 118 of the Red Herring Prospectus.

Projects Under Implementation

1. RWPL Phase II – 270 MW Power Plant, Rajasthan

RWPL is implementing an additional 2 X 135 MW power plant at Barmer, Rajasthan. This power plant is intended to be on the same parcel of land as the 1,080 MW project described above which is currently under construction. See "— Projects Under Construction —3. Raj WestPower Limited ("RWPL") – 1,080 MW Lignite-Fired Power Plant, Barmer, Rajasthan." We have sought the permission or government approval to develop this additional 2 x 135 MW capacity. See "Risk Factors —*We do not have government approval to increase the capacity for two of our projects and if we do not receive such approval, we may not be able to develop these projects to the extent of our proposed expansion which may impact our financing*" on page xiv of this Red Herring Prospectus.

We expect to achieve commercial operation of the plant by January 2013, which is consistent with the estimated period used by lenders to appraise the project.

The power plant will employ the same CFBC technology based BTG package as used for the 1,080 MW project. TCE Consulting Engineers Limited has prepared a detailed project report for the project. On January 25, 2008, RWPL entered into an agreement with Dongfang for the supply of boilers and a steam turbine generator for this project. RWPL proposes to seek GoR approvals for utilisation of the lignite from the Jalipa and Kapurdi mines for this project as well. According to estimates by Mineral Exploration Corporation Limited, a Government of India entity, we believe there is a sufficient quantity of lignite to meet the fuel requirements of both the 2 x 135 MW units as well as the 1,080 MW unit. If the GoR does not approve the proposed use of lignite reserves from these mines, RWPL expects to source imported coal.

Until the GoR approves the use of lignite from the Jalipa and Kapurdi mines for this project, the fuel requirements for this power plant is expected to be fulfilled under the coal sales purchase contract dated January 4, 2008 between JSWEL and Sungai Belati and the amendment agreement dated July 10, 2009. Under the amendment agreement, JSWEL agreed to purchase approximately one million metric tons per annum of steam coal in fiscal 2011, 350,000 metric tons per annum of steam coal in fiscal 2012 and one million metric tons per annum of steam coal from fiscal 2013 onwards. The coal must meet certain quality parameters including a gross calorific value of 5000-5500 Kcal/kg. This tonnage is expected to be sufficient to meet the requirement of the plant. Under this contract, JSWEL proposes to assign delivery by Sungai Belati of a portion of the coal under this contract to this project, in addition to payment obligations and all other rights and obligations related to this delivery. Delivery of coal will begin in fiscal 2010 and will continue for a term of 25 years. The price of coal under the contracts are linked to the RB Index on the date of the contract. See "— Our operational Projects — 2. JSWEL–SBU II — 600 MW Power Plant, Vijayanagar, Karnataka — *Fuel Supply Arrangements*" for details of the pricing structure under the contract.

RWPL proposes to sell the entire power generated from this project under short-term power arrangements through JSWPTC.

On January 25, 2008, JSWEL entered into a service contract with Chengdu Dongsi Power Technology Consultancy Company ("Dongsi"), wherein Dongsi agreed to conduct performance guarantee tests for the boiler, turbine, generator and auxiliaries in connection with this project and supervise the erection and commissioning of the BTG package.

The RWPL, Phase II expansion has been appraised by ICICI Bank Limited at a total cost of Rs. 13,500 million. The debt component of the project cost is Rs. 10,125.0 million. We have applied for revalidation of our sanction letter from ICICI Bank Limited.

The project cost also includes the cost of developing the infrastructure required for handling imported coal including rail movement, handling and storage facilities. If the GoR grants approval for the use of lignite from the Jalipa and Kapurdi mines, we will not need to establish this infrastructure and, as a result, the cost of the project will decrease.

We believe the water allocation for the 1,080 MW power plant described above is sufficient to also cover the water requirements for these 2 x 135 MW units. We propose to apply to the GoR for permission to use this water for the RWPL Phase II expansion.

We believe the power evacuation and transmission infrastructure to be developed as part of the 1,080 MW project will also adequately cater to the 2 x 135 MW units.

2. JSWEL: Kutehr – 240 MW Hydroelectric Power Plant, Himachal Pradesh

JSWEL is implementing a 240 MW (3 X 80 MW), run-of-the-river, hydroelectric power project on the upper reaches of river Ravi in the district of Chamba, Himachal Pradesh.

The GoHP, awarded this project to JSWEL on a build, own, operate, and transfer basis ("BOOT"), under a competitive bidding process in July 2007. JSWEL has paid the required up-front fee to the GoHP under the terms of the letter of intent issued by the GoHP. JSWEL and the GoHP entered into a pre-implementation agreement on March 1, 2008 for the implementation of this project. The concession period for this project is 40 years from the date the project achieves commercial operation. Under the pre-implementation agreement, JSWEL is required to provide GoHP an annual royalty in the form of free power equal to 12.0% of the deliverable energy for the first 12 years from the commercial operations date, 18.0% for the next 18 years and 30.0% for the remaining ten years.

The project involves the construction of a low-sill barrage across Ravi river to divert water through a 15 km long head race tunnel ending in a surge shaft to generate an aggregate 240 MW of power in an underground power house.

On March 14, 2008, we entered into an agreement with SNC-LAVALIN Engineering India Private Limited ("SNC- LAVALIN") under which SNC-LAVALIN prepared a detailed project report for this project and submitted their report in June 2009. The report recommends setting up a 240 MW power plant instead of the 260 MW power plant previously proposed.

We received approval from the CEA on January 6, 2009 for the hydrology, which is the amount and flow of water to be used, for the project. However, CEA approval for the total cost of the project is still pending. We are also at various stages of MoEF approval for this project.

The power is proposed to be sold through short-term power purchase agreements through JSWPTC.

The estimated project cost is Rs. 19,152 million. ICICI Bank originally appraised the project at a total cost of Rs. 14,400.0 million. ICICI Bank has previously approved funding of Rs. 10,800.0 million. We intend to fund the balance of the project cost of Rs. 8,352 million in the form of equity contribution. We have applied for revalidation of our sanction letter from ICICI Bank.

The cost of the project includes construction and installation of transmission infrastructure to the grid.

The transmission and power evacuation system for this project will comprise of 220kV double circuit transmission lines on twin zebra conductors.

We expect to commission the plant by December 2015.

Projects Under Development

1. 3,200 MW – imported coal based thermal power plant in Ratnagiri, Maharashtra

JSWERL is developing a 4 X 800 MW power plant at Ratnagiri, Maharashtra, approximately six kilometers away from JSWERL's 1,200 MW coal-fired power plant. On January 10, 2008 the Government of Maharashtra agreed to provide administrative support, including making land available and providing right of way over land, clearances, obtaining fuel and evacuating power and strengthening certain infrastructure connection with the installation of additional capacity of 3,200 MW at Ratnagiri. The Government is currently considering a policy decision to provide fiscal support for projects such as ours.

The estimated project cost is Rs. 150,006.80 million.

We have acquired a certain portion of the land and propose to lease land from the JSW Group and to acquire additional land as necessary for the balance of the land required. We have applied to the MoEF for approval for this project and their approval is pending.

TCE Consulting Engineers Limited, engineering consultant, has prepared a detailed project report for this project which we received in July 2009.

We expect to achieve commercial operation of the last unit by April 2015.

We are currently in discussions with certain suppliers for the supply of the BTG package based on super-critical technology. The use of super-critical technology helps achieve lower operating costs due to better efficiencies and lower carbon emissions compared to sub-critical technology. Further, the port-based location of the project offers the advantage of lower shipment costs for imported coal and equipment, and provides a more convenient and economical source of water for the project.

We believe the power plant's fuel requirement will be satisfied in full by two fuel supply agreements:

- First, under a coal sales purchase contract dated December 26, 2007 between JSWERL and Sungai Belati and an amendment agreement dated July 10, JSWERL agreed to purchase approximately 250,000 metric tons per annum of steam coal in fiscal 2010, 3.3 million metric tons per annum of steam coal in fiscal 2011 and 4 million metric tons per annum of steam coal in fiscal 2012, with an option to purchase an additional one million metric tons per annum of steam coal in fiscal 2014 and 5.5 million metric tons per annum of steam coal from fiscal 2015 onwards. The coal must meet certain quality parameters including a gross calorific value of 5000-5500 Kcal/kg. Delivery of coal is expected to begin for this project in fiscal 2014. See "—Projects under Construction — 2. JSW Energy (Ratnagiri) Limited ("JSWERL") – 1,200 MW Coal-Fired Power Plant, Ratnagiri, Maharashtra — Fuel Supply" for details of the pricing structure under the contract.

  Under the contract, JSWEL has a first priority over other customers of Sungai Belati in connection with meeting its coal requirements.

- Second, under a coal sales purchase contract dated January 4, 2008 between JSWEL and JSW Natural resources Mozambique Limitada, an affiliate of JSWSL. Under this contract, JSW Mozambique agreed to sell annually approximately six million metric tons of steam coal meeting certain quality parameters including a gross calorific value of 5500-6000 Kcal/kg. Delivery of coal will begin at the earliest in April 1, 2011 and continue for a term of 25 years. Under this contract, JSWEL proposes to assign delivery by JSW Mozambique of a portion of the coal under this contract to this project, in addition to payment obligations and all other rights and obligations related to this delivery.

The price formula of coal under this contract is linked to the McCloskey's RB Index, a widely used coal industry index, on the date of the contract. The pricing structure under the contract is as follows:

- If McCloskey's RB Index changes by less than 50% from the index on the date of the contract, the contract coal price remains fixed at US$50.0 per metric ton, FOBT, port of loading.

- If, on the other hand, McCloskey's Index increases by more than 50% from the index on the date of the contract, the contract coal price of US$ 50.0, FOBT, port of loading, is increased. The increase is one-half of the percentage variation above the index on the date of the contract.

We propose to sell power from 3,200 MW power plant under development under a combination of long-term PPAs with the state distribution companies through the competitive bidding and short-term PPAs with JSWPTC. On May 2, 2009, we provided an undertaking to the Government of Maharashtra, offering 50% of power generated by our 3,200 MW capacity expansion to the Mahavitaran Company, a state-owned power distribution company in the State of Maharashtra, or any other distribution companies in the State of Maharashtra or in accordance with any policy of the Government of Maharashtra. We are currently exploring financing options. We expect to finance the project with a debt equity ratio of approximately 75:25.

The study of power flows and the optimal evacuation plan has been prepared by Power Research and Development Consultants Private Limited and we are evaluating power evacuation options.

As the project site is in close proximity to the sea, a significant volume of the water required for the project will be satisfied by sea water.

2. 1,320 MW – Coal based thermal power plant at Chhattisgarh

We are proposing to develop a 1,320 MW power plant in Raigarh, Chhattisgarh. We entered into a MoU dated February 1, 2008 with the Government of Chhattisgarh for the setting up of a 1,100 MW thermal power project, along with an integrated coal mine in the State of Chhattisgarh. The proposed investment of this project is approximately Rs. 65,000 million. Under the MoU, the Government of Chhattisgarh has agreed to assist in obtaining suitable land, fuel, and water for the project and facilitate evacuation of the power, coal linkages, captive coal block allocation and statutory and other clearances required under applicable laws and regulations. In addition, in accordance with the MoU, the Government of Chhattisgarh will provide certain administrative and fiscal support.

The term of this MoU was for a period of one year. However, on May 26, 2009, the Government of Chhattisgarh extended the validity of the MoU up to January 31, 2010.

We have mandated Lahmeyer, engineering consultant, for the preparation of a detailed project report for this project covering location, project details, and other information. We have received Terms of Reference (which is the first phase of approval) from the MoEF.

We expect to achieve commercial operation of the project by August 2014.

We intend to follow a competitive bidding process in connection with awarding the BTG package and to carry out the project implementation internally.

We have an 11% interest in a consortium that has been allotted a coal block from the Utkal A – Gopalprasad (West) West mines near Talcher, Orissa from the Ministry of Coal, Government of India on November 29, 2005. Pursuant to a joint venture agreement between consortium members, a joint venture company, MJSJ Coal Limited, has been established to carry out mining operations. The coal is expected to be made available to consortium members by the joint venture on a cost plus basis that yields a rate of return of 12%. The allocated coal block has estimated total coal reserves of 951.68 million tons of which mineable coal reserves are 673.09 million tons. The mining plan for the mining of 15.0 million tons per annum has been approved by Ministry of Coal, Government of India. We have also applied to the Ministry of Coal for an additional allocation of coal to meet the project's coal requirements.

We propose to tie-up the entire power output through a combination of long-term power purchase agreements through Case -1 bids and short-term power purchase agreement with JSWPTC. Under the MoU, we are required to provide at least 5% of the net power generated at variable energy charges to the Government of Chhattisgarh or its nominated agency. Under the MoU, the Government of Chhattisgarh is not obliged to purchase power from us, however, the Government of Chhattisgarh shall have the right of first refusal to purchase up to 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. The balance of the power can be sold inside and/or outside of Chhattisgarh.

We are currently exploring financing options. We expect to finance the project with a debt equity ratio of approximately 75:25.

We have been allocated 35 million cubic meters of water per annum from the river Mahanadi to meet the water requirements of the project.

We propose to evacuate power from the power plant with a direct connection to the transmission facility being developed by the Power Grid Corporation of India Limited in Chhattisgarh.

3. 1,600 MW– Domestic coal based power plant in West Bengal

JSWSL entered into a development agreement dated January 11, 2007 with the Government of West Bengal, West Bengal Minerals Development and Trading Company ("WBMDTC") and West Bengal Industrial Development Corporation ("WBIDC") (the "Development Agreement") to develop a steel plant with 10.0 million metric ton per annum capacity as well as an associated captive power plant for the steel plant at Salboni, West Bengal. We propose to develop this power plant with 2 x 800 MW capacity as a captive power plant ("CPP") to meet the entire power requirement of the steel plant but currently only have approval for 990 MW of capacity. See "Risk Factors —Our projects under development require various approvals from various government entities. Any delay in obtaining or inability to obtain these approvals could have a material adverse effect on our financial results and business prospects" on page xiii of this Red Herring Prospectus. The captive power plant for the steel plant is proposed to be developed by a special purpose entity in which JSWSL and JSWEL will have a 26% and 74% ownership interest, respectively. The proposal to set up this CPP has been approved by our Board and is subject to approval of other parties to the Development Agreement.

The steel project to be implemented by JSW Bengal Steel Limited ("JSWBSL"), a joint venture between JSW Group, WBMDTC and WBIDC in which WBMTC and WBIDC will invest an amount of Rs. 110 million and the JSW Group will hold a majority interest. Under the Development Agreement, the Government of West Bengal has agreed to provide assistance and cooperate in the implementation of the project including land procurement, providing fuel linkages, water allocation, and power during construction period. Progress under the Development Agreement includes:

- acquisition of title to approximately 4,500 acres of land at Salboni, Paschim Medinipur;
- the Department of Irrigation has allotted 25 mgd of water from the river Roopnarayan to the project;
- receipt of environmental clearance from the Ministry of Environment and Forests; and
- WBMDTC has obtained consent from the Government of India for exploration and mining of Kulti, Sitrampur and Ichhapur coal blocks and these blocks which have been allocated to JSWBSL. A draft of the Coal Raising and Coal Supply Agreement to be entered into between WBMDTC, JSW Natural Resources India Limited and JSWBSL has been approved by the Government of West Bengal.

JSWBSL has acquired 4,500 acres of land in the Salboni District, West Bengal for the entire steel project including land required for this power plant. We expect to lease the land required for this power plant from JSWBSL.

The estimated project cost is Rs. 76,800.00 million.

Under the Development Agreement, WBMDTC is also required to enter into an exclusive long-term fuel supply agreement to supply coal to both the steel plant and the power plant.

Additionally, JSWSL has been allotted captive coal mines on an equal sharing basis with certain other allottees of the Gourangdih ABC coal block to meet our requirements for the captive power plant. This coal is required to be made available for the captive power plant to meet the power requirement for the steel plant. Power from the power station is to be sold to the steel plant using a two-part tariff with an after tax return on equity of 14%. As required by the Development Agreement, any surplus power will be supplied to the West Bengal State Electricity Board under a PPA.

We expect to achieve commercial operation of the project by February, 2015.

We are in discussions with suppliers for the supply of the BTG package based on super critical technology.

We are currently exploring financing options. We expect to fund the project with a debt equity ratio of approximately 75:25.

4. 1,620 MW – Coal based thermal power plant at Jharkhand

We are proposing to develop a 1,620 MW power plant near Baranda at the Ranchi district, Jharkhand, in proximity to a proposed 10 MT steel project of the JSW Group. We entered into a MoU dated September 11, 2006 with the Government of Jharkhand for the setting up of 2000 MW power project. This MoU was valid for a period of 12 months. On October 22, 2007, we entered into a MoU with the Government of Jharkhand extending the MoU dated September 11, 2006 for a period of 24 months. The MoU was valid until September 11, 2009 and a further extension has been sought from the Government of Jharkhand. Under the MoU, the government has agreed to assist in obtaining suitable land, fuel, and water for the project and facilitate evacuation of the power. Also, in accordance with the MoU, the state government of Jharkhand will provide certain administrative and fiscal support. The land required for the project is approximately 800 acres. The water requirements for the project shall be met from the Subarnarekha river, which is located near this project. A reservoir will be constructed near the plant site for the storage of water.

The estimated project cost is Rs. 79,380.00 million.

We expect to achieve commercial operation of the project by August 2015.

We are in discussions with certain suppliers for the supply of the BTG package based on super-critical technology.

The proposed site location is approximately 250 kms from the coal reserves located at Karnpura mines owned by Central Coalfields Limited. We have made applications to the Ministry of Coal for long-term coal linkage from these mines and carried out an environmental impact study in March 2009 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.

We propose to tie-up the entire power output through a combination of long-term power purchase agreements through Case -1 bids and short-term power purchase agreement with JSWPTC. Under the MoU, the Government of Jharkhand has the right to purchase up to 25% of the power dispatched from the power plant. The balance of the power can be sold inside and/or outside of Jharkhand.

We are currently exploring financing options. We expect to finance the project with a debt equity ratio of approximately 75:25.

II. Power Trading Business

JSWPTC has been engaged in power trading activities since June 2006. The CERC granted us a "F" category license which is the highest license category available to trade power in India. The CERC has proposed replacing these categories with "Category I", "Category II" and "Category III" licences, and if this proposal is approved, our category of licence will be a "Category I" licence. This proposal has not yet been approved. JSWPTC traded 1,478.58 million units in fiscal 2008 and has traded 2,052.75 million units in fiscal 2009.

JSWPTC was formed with the objective of engaging in power trading activities, and not only sourcing its power generation sources from within the JSW Group, but also from external power supplies available in the market. JSWPTC has been mandated to sell all our power sold on a short-term basis and all our surplus power. JSWPTC sells power to various state utility boards which have significant demand for power.

JSWPTC trades the power that it sources through short-term power off-take agreements, enabling it to respond to price and market demand fluctuations in the sector. These short-term agreements for the sale of power have a term ranging over several hours up to 11 months. The trading margin allowed by regulation is currently capped at Rs. 0.04 per kWh. JSWPTC also actively trades power through the electronic platforms provided by PXIL and IEX, the power exchanges currently operating in India.

A simplified power trading mechanism is as follows:

- Periodic identification of surplus power available for sale.
- Periodic identification of deficit market is undertaken to see which states have a deficit of power and during which months/time of the day.
- Offer of terms of sale of power by JSWPTC and negotiation of final terms under short-term agreements for the sale of power with a term ranging over several hours up to 11 months.
- Based on the placement, the trading licensee submits an application for transmission access to the Nodal Regional Load Dispatch centre.
- Nodal RLDC will give the approval according to available transmission corridor.
- Quantum of Power flow is shown on concerned RLDC website.
- Quarterly volume traded is sent to CERC with rates as compliance.

We have also invested in the PXIL, which is promoted by the National Stock Exchange of India and the National Commodities and Derivatives Exchange Limited, on the basis that our investment in PXIL does not exceed 5% of its paid-up capital from time to time. We believe that this investment is in our best interests, given our planned expansion of power generation capacity, as it would provide a platform for us to contribute to the development of exchange traded power in India.

III. Transmission

As part of our strategy to be present in other sectors of the power sector value chain and to be involved in the power transmission business, we entered into a joint venture agreement with MSETCL on August 5, 2008 and have incorporated a joint venture company, JPTL to build, own and operate transmission systems and networks and carry out all transmission related activities. We have a 74% shareholding interest in this joint venture. The building, owning and operating of the transmission lines are to be funded at a debt to equity ratio of 75:25. Under this agreement, neither we nor MSETCL may transfer shares in JPTL for a period of five years from the actual commercial operation date of the project which is expected to be in June 2010. After the expiry of such five year period, MSETCL has the right of first refusal to purchase our shares. For further details of our joint venture agreement with MSETCL see "Description of Certain Key Contracts" on page 109 of this Red Herring Prospectus.

JPTL's first venture is the construction of two 400kV double circuit quad moose transmission lines in the State of Maharashtra. The project shall have two 400kV transmission lines from our JSWERL plant at Jaigad to the state utility substations located at both New Koyna and Karad, respectively, which will form part of the Maharashtra intrastate transmission system. JPTL has received MSETCL's approval for this project. It also received a license for the transmission of electricity in the State of Maharashtra from the Maharashtra Electricity Regulatory Commission for the operation of the New Konya and Karad transmission lines (the "Transmission License") on February 8, 2009. The New Konya and Karad transmission lines are approximately 57km and 112km in length, respectively. On May 24, 2008, JSWERL entered into an agreement with Powerlinks Transmission Ltd for the provision of project management services for implementation of the 400kV transmission lines. We believe this project is in compliance with the guidelines issued by the MERC.

Jaigad Power Transco awarded an EPC contract for the construction and implementation of this project to Larsen & Toubro Limited ("L&T Limited"). On July 16, 2008, Jaigad Power Tranco and L&T entered into a supply contract for the supply of tower materials and accessories and a service contract for the survey, civil works, testing and commissioning of this project. Both contracts became effective on July 2, 2008. We expect to complete construction and commissioning of the transmission lines by

June 2010. This schedule is consistent with the schedule provided in the appraisal under the financing documents.

The total cost of the project is estimated to be Rs. 5,800.0 million, which is expected to be financed by equity of Rs. 1,450.0 million and debt of Rs. 4,350.0 million. JPTL has achieved financial closure and entered into financing agreements with a consortium of banks led by State Bank of India for an amount not exceeding Rs. 4,350.00 million. As of October 31, 2009, we have spent Rs. 2,193.20 million on the project.

JPTL entered into a transmission development agreement with JSWERL on June 11, 2009 ("TDA") for the development of transmission systems and networks for supplying power generated by JSWERL to the state transmission system. JPTL also entered into a bulk power transmission agreement with JSWERL and MSETCL on June 11, 2009 ("BPTA") for evacuating the power generated by the power plant, for a period of 25 years or for the period of the Transmission License, whichever is longer. For further details of the TDA and BPTA see "Description of Certain Key Contracts" on page 109 of this Red Herring Prospectus.

We propose to invest in more transmission infrastructure for the purpose of transmitting power from power generation plants to the state and national grids.

IV. Operation and Maintenance Activities

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 and availability of our generation assets.

We operate and maintain our JSWEL-SBU I 260 MW power plant and our JSWEL-SBU II 600 MW power plant. We also operate and maintain JSWSL's 230 MW captive power plant under an Operation and Maintenance Agreement for a five year period until March 31, 2011. As a performance incentive, we receive 25% of the percentage by which the actual availability factor exceeds 85% multiplied by the operator fee.

The following table describes the historical operating data for our JSWEL-SBU I 2x130 MW plant:

Operating Data	2004-05	2005-06	2006-07	2007-08	2008-09
Installed capacity (MW)	2x130	2x130	2x130	2x130	2x130
Gross units generated (MU)	1,966.77	2,048.93	2,062.07	2,230.73	2,229.33
Auxiliary consumption (%)	7.16	7.06	7.23	7.33	7.78
Availability factor (%)	96.17	96.78	96.22	97.30	97.22
Plant Load Factor (%)	86.35	89.96	90.54	97.67	97.88
Heat Rate (Kcal/ kWh)	2,399	2,372	2,378	2,354	2,321

The following table describes the operating data for the both unit 1 and unit 2 of our JSWEL-SBU II 600 MW plant:

Operating Data	Pre-commercial operation date		Post- commercial operation date	
	Unit 1	Unit 2	Unit 1	Unit 2
	April to June 2009	August 2009	July to September 2009	September 2009
Installed capacity (MW)	1x300	1x300	1x300	1x300
Gross units generated (MU)	423.13	53.96	535.88	200.06
Auxiliary consumption (%)	8.51	11.14	8.17	7.67
Availability factor (%)	75.90	77.82	92.06	100.00
Plant Load Factor (%)	64.58	35.68	80.90	92.62

Heat Rate (Kcal/ kWh)	2366	2706	2332	2343

The following table describes the historical operating data for JSWSL's 100 MW plant which we have operated and maintained since it achieved commercial operation in April 2005.

Operating Data	2006-07	2007-08	2008-09
Installed capacity (MW)	1x100	1x100	1x100
Gross units generated (MU)	796.07	808.06	819.06
Auxiliary consumption (%)	5.88	5.80	5.64
Availability factor (%)	99.73	97.61	99.00
Plant Load Factor (%)	90.88	91.99	93.50
Heat Rate (Kcal/ kWh)	2,510.55	2,503.00	2,523.00

The following table describes the historical operating data for JSWSL's 130 MW plant which we operated since it achieved commercial operation in September 2006:

Operating Data	2006-07	2007-08	2008-09
Installed capacity (MW)	1x130	1x130	1x130
Gross units generated (MU)	551.05	567.11	617.74
Auxiliary consumption (%)	7.21	7.54	7.80
Availability factor (%)	98.78	93.86	98.30
Plant Load Factor (1): (%)	48.39	49.66	54.24
Heat Rate (Kcal/kWh)	2,447.00	2,472.00	2,447.00

(1) The lower PLF in JSWSL's 130 MW power plant is a result of lower availability of fuel which JSWSL is required to supply to the plant.

V. Project Implementation Experience

Due to the long gestation period and the capital-intensive nature of power projects, efficient project management is essential to avoid timing delays and cost overruns. So far, we along with the JSW Group, have implemented five separate projects with a total generation capacity of 1,150 MW across a range of technologies and fuel types:

- JSWEL- SBU I's 260 MW dual fuel (coal and gas) power plant in Karnataka;
- JSWEL SBU-II's 600 MW coal based power plant at Karnataka;
- JSWSL's 100 MW combined gas fired power plant at Karnataka;
- JSWSL's 130 MW coke oven heat recovery based power plant at Karnataka; and
- Southern Iron and Steel Company Limited's, which merged with JSWSL, 60 MW (2 x 30 MW) gas and coal based power plant at Tamil Nadu.

Most of these projects have been set-up with the entire project management oversight being performed internally. The successful development, implementation and operation of plants have enabled us to create a pool of technical know-how as well as expertise in developing thermal power plants. We are currently implementing all the existing power projects under construction by taking up the project management contract. As part of the project management contract, we are responsible for the overall implementation of the project including conceptualizing the project with the aid of technical engineers, negotiating all the contracts, ensuring timely approvals for the project, order placement by the respective projects. We undertake the entire responsibility and assume the risk for implementing a project. Also, all software support in terms of ERP package and server support is provided by us. We believe that this project management model will enable us to ensure the timely implementation of projects within the budgeted costs.

VI. Joint Ventures

We have entered into joint ventures in mining, the manufacture of turbines and generators and power transmission. Our mining joint ventures relate to allocations of coal and/or lignite blocks which we have received and will provide a captive fuel source for our projects in Rajasthan and Chhattisgarh. We expect our joint venture in equipment manufacture to provide us with high quality steam turbines and generators for our power generation business at a competitive price. Through our power transmission joint venture, together with our joint venture partner, MSETCL, we plan to build, own and operate transmission systems. We hold minority stakes in our mining and equipment manufacture joint ventures and do not have day-to-day management control.

1. Power Transmission

See "— III. Transmission" for a description of our power transmission business.

2. Equipment Manufacture

On May 7, 2008, we entered into a joint venture with JSWSL and Toshiba Corporation for the design, engineering, manufacture, assembly and sale of sub-critical and super-critical steam turbines and generators which will range in capacity from 500 MW to 1,000 MW. The manufacturing facility will be located near Ennore port, Chennai. We have incorporated a joint venture company, Toshiba JSW Turbine and Generator Private Limited ("Toshiba JSW"), in which we hold a 20% shareholding interest, JSWSL holds a 5% shareholding interest and Toshiba Corporation holds a 75% shareholding interest. Under this joint venture, Toshiba Corporation will grant a licence to and transfer technology for the manufacture of steam turbines and generators to Toshiba JSW. The equipment manufactured under this joint venture would be primarily used for domestic sale and we, as a joint venture partner, expect to receive preference in the sale of equipment manufactured. We expect to commence production in phases starting 2011. The estimated total cost of the project is Rs. 11,800 million, which shall be financed by a combination of debt and equity. The equity financing is expected to be provided by the joint venture partners in proportion to their shares in the JV.

On July 7, 2009, Toshiba JSW entered into a MoU with the Government of Tamil Nadu in connection with setting up the project near Chennai in Tamil Nadu. On September 7, 2009, we entered into a services and assistance agreement with Toshiba JSW for a period of 10 years. For further details of these agreements see "Description of Certain Key Contracts" on page 109 of this Red Herring Prospectus.

3. Mining

(a) BLMCL

RWPL and RSMML, entered into a joint venture agreement on December 27, 2006 to develop and operate the Jalipa and Kapurdi mines for the supply of lignite to the 1,080 MW lignite based power project being set up by RWPL in Rajasthan, and incorporated a joint venture entity, BLMCL.

RSMML and RWPL respectively hold 51.0% and 49.0% equity holding in BLMCL. Under the WestPower Implementation Agreement, RSMML is responsible for procuring mining leases for Jalipa and Kapurdi mines from the GoR and transferring such leases to BLMCL. See "— Projects Under Construction —3. Raj WestPower Limited ("RWPL") – 1,080 MW Lignite-Fired Power Plant, Barmer, Rajasthan — *Implementation Agreement between RWPL and the GoR*" above.

In accordance with the terms of the WestPower Implementation Agreement, RWPL entered into the Fuel Agreement with BLMCL for the supply of lignite mined at the Jalipa and Kapurdi mines to the RWPL 1,080 MW power plant. See "— Projects Under Construction —3. Raj WestPower Limited ("RWPL") – 1,080 MW Lignite-Fired Power Plant, Barmer, Rajasthan — *Fuel Supply Arrangements*" above. The pricing structure for lignite under the Fuel Agreement is the cost of one ton of lignite having calorific value of 2,960 kcal/kg and approved by the Rajasthan Electricity Regulatory Commission. By its order dated October 19, 2006, RERC made an in-principle determination of the price of lignite to be Rs. 811.65 per metric ton. This pricing structure is subject to periodic revision by RERC.

RERC order dated October 19, 2006 approved in-principle the cost of the project at Rs. 4,670.0 million including acquisition cost of mine land at Kapurdi & Jalipa estimated at Rs. 909 million. The cost approved by RERC is subject to variations in certain taxes as also any increase in land acquisition cost and cost of rehabilitation. In accordance with the Implementation Agreement and the Joint Venture agreement, RSMML, being responsible for acquisition of mine land, has commenced the process of land acquisition through the government prescribed procedure. The land acquisition process for the Kapurdi land is in final stages. LAO, RSMML issued an order dated September 14, 2009 in respect of the acquisition of land required for the Kapurdi mine. As per the order, the total cost of the acquisition of the Kapurdi land is Rs. 2,675.44 million as compared to the Rs. 342.08 million estimated by the RERC, resulting in an increase in the cost of the Kapurdi land of Rs. 2,333.36 million. The land acquisition process is yet to be completed for Jalipa. The land acquisition at the Jalipa mine is at the initial stage and pending completion of the land acquisition process, the cost has been estimated in the RERC order dated October 19, 2006 to be Rs. 566.92 million. However, the actual acquisition cost of land cannot be ascertained until the land acquisition process is complete. Thus, based on the order passed by LAO, RSMML , the project cost will stand revised at Rs. 7,105.36 million.

On August 29, 2007, Infrastructure Development Finance Company Limited ("IDFC") appraised the project at the RERC approved cost of Rs. 4,670.0 million and issued letter of intent for the entire debt component of Rs. 3,270.0 million. The terms and conditions of the letter of intent were subsequently changed on June 23, 2008, under which, BLMCL is obliged to obtain MoEF clearance for the Kapurdi mine and undertake to obtain MoEF clearance for the Jalipa mine within 3 months from the date of first disbursement. We expect to enter into the financing documents with IDFC.

BLMCL has received approval from the Ministry of Coal for the mining plans for the Kapurdi and Jalipa mines and environmental clearance for the Kapurdi mine from the MoEF. Environmental clearance for the Jalipa mine is pending.

Pursuant to the joint venture agreement and as recommended by RWPL, South West Mining Limited, a consortium member under the WestPower Implementation Agreement, was appointed as the mine operator for both the Kapurdi and Jalipa mines on December 30, 2008 by a letter of intent issued by BLMCL.

We expect to commission the mining activities at the Kapurdi mine by July 2010 which shall be ramped up to full capacity over a period of 3 years and we expect to commission the mining activities at the Jalipa mine by March 2011 which shall also be ramped up to full capacity by July 2013. As of October 31, 2009, we have spent Rs. 3,192.80 million on the project.

(b) MJSJ Coal Limited

We, together with Mahanadi Coal Fields ("MCL"), JSWSL and Jindal Stainless & Shyam DRI Power Limited, received a joint allotment of the Utkal A – Gopal Prasad (West) coal block in the State of Orissa from the Ministry of Coal, Government of India and have formed a joint venture company, MJSJ Coal Limited in which we have an 11% shareholding interest. The Utkal A Block has estimated thermal coal reserves of 951.68 MT of which mineable coal reserves are 673.09 MT over an area of 1,357 hectares of land. The mine plan submitted by one of the joint venture partners for the mining of a 15 MTPA open cast mine was approved by the GoI Ministry of Coal on April 23, 2009. MCL will provide water and power from its existing block. The coal will be evacuated using a railway line of nearly 25 kms from Angul to the rail link to the project which is expected to be constructed over the next three years. We have applied for approval for this project from the MoEF and such approval is pending

The parties entered into a MoU dated October 13, 2007 for the development, operation and maintenance of the Utkal A – Gopalprasad (West) west mine jointly. Under this agreement, the parties agreed to supply coal to the joint venture partners in the proportion allotted to such party by the Ministry of Coal, to arrange necessary coal evacuation arrangements and power requirements, and to enter into arrangements with agencies and state governments for land, water and power supply. We expect to commence mining by fiscal 2011. The estimated total cost of the project is Rs. 3,958.7 million. We have invested Rs. 5.60 million in the equity of the joint venture as at March 31, 2009.

VII. Other Opportunities

Case 2 Projects. As part of building our portfolio of power generating assets, we have entered into an MoU with IDFC in connection with bids on power projects in Ghataprabha, Jewargi and Chamlapura in Karnataka. We have also independently bid a Case 2 project in in respect of Nabha Power, Punjab.

A brief summary of the Case 2 projects for power generation is as follows:

Location	Capacity	Status
Projects with IDFC		
Chamalpura, Karnataka[1]	1,320 MW	Qualified for RfP
Jewargi, Karnataka[1]	1,320 MW	Qualified for RfP
Ghataprabha, Karnataka[1]	1,320 MW	Qualified for RfP
Independent Projects		
Rajpura, Punjab	1,320 MW	Qualified for RfQ and non-financial RfP

(1) Our participation interest is at least 51%.

Non - conventional energy sources. We are evaluating options with respect to setting up a solar power facility at certain of our existing project locations and across India, including the North and North East of India. We have recently been allotted 5MW of capacity by the Government of Gujarat for setting up a solar power plant using the photovoltaic technology and we have applied to the Government of Rajasthan for a 5MW solar power project. We have also applied to the regulatory entities in Rajasthan for power capacity allocations for solar power projects and are also exploring technology options and suppliers. We are also examining the feasibility of wind power generation and nuclear power generation, including discussions with suppliers of wind power plants.

Mining. On July 10, 2009, we entered into an MoU with the Government of Swaziland where we agreed to carry out a detailed geological exploration of certain coal reserves in Swaziland and the Government of Swaziland agreed to grant us the prospecting and mining rights to such coal reserves, subject to the approval of the Mineral Management Board of Swazliland. We estimate our investment will be around US$350 million in this project if implemented.

New projects. We have entered into two MoUs with the Government of Gujarat to set up a 2400 MW (2x800 MW in the first phase and 1x800 MW in the second phase) coal-based power plant in Junagadh, Gujarat. We have decided not to proceed with the power project at this location due to technical constraints, and we are proposing to relocate this project to Dahej, Dist. Bharuch, South Gujarat. We have applied to Gujarat Industrial Development Corporation for an allotment of land and to the Ministry of Coal for a long-term coal linkage for this project.

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. We have been qualified at the "RFQ" stage to submit our bid for the acquisition of approximately 57% of the share capital of DPSC Limited, a public utility company listed in India.

VIII. Arrangements with the JSW Group

By being part of the JSW Group, 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 the JSW Group, which include but are not limited to:

- the purchase of power by JSWSL from our 260 MW power plant;

- the purchase of power by JSWSL and JSWCL from our 600 MW power plant;
- the water and coal handling facility by JSWSL for out 600 MW power plant;
- the supply of fuel and water by JSWSL to our 260 MW power plant;
- the supply of coal by JSW Mozambique, a subsidiary of JSWSL;
- port facilities by our JSW Jaigarh Port Limited;
- the information technology support system from Jsoft Solutions Limited; and
- operation and maintenance services rendered for JSWSL's 230 MW captive power plant.

The arrangements are arms-length transactions that allow us to capitalize on the synergies, resources and services of the JSW Group.

For details regarding our related party transactions, see "Financial Statements — Related Party Transactions" beginning on page 203 of this Red Herring Prospectus.

IX. Personnel

As of September 30, 2009, we employed 721 employees. Of these employees, 444 are professionals. Our professional staff members have a wide range of industry experience. Our workforce has grown from 414 employees as of March 31, 2008 to 721 as of September 30, 2009.

The breakdown of our workforce as of September 30, 2009 and at the end of each of the previous three fiscal years is:

	Number of Employees as of			
	September 30, 2009	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**
Technical Staff	585	535	313	149
Non Technical Staff	63	61	60	34
Support Staff	73	69	41	16
TOTAL	721	**665**	**414**	**199**
Senior Management	54	51	42	25
Middle Management	159	142	104	68
Junior Management	495	459	264	103
Other Staff	13	13	4	3
TOTAL	**721**	**665**	**414**	**199**

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, which are in line with best industry practices and individual performance. We have had a relatively low employee attrition rate averaging less than 10% over the last four fiscal years.

Our success depends upon our ability to recruit, train and retain high quality professionals. We believe that the support of the JSW Group and our intense focus on performance, quality, training and growth will give us advantages in attracting and retaining highly skilled employees. We have established the JSW Energy Centre of Excellence ("JSWECE"), equipped with a contemporary power plant simulator, with the object of training engineers in the operation and maintenance of thermal power plants. JSWECE has been accorded recognition by the Central Electricity Authority for advance power plant training in line with the power sector requirements. The centre has already trained over 100 engineers in the first year of its operation.

JSWECE has the first "Real-Time PC-based Power Plant Simulator of 300 MW" established by a private business entity in the Indian power sector. The 300 MW power plant simulator is the replica of the 300 MW units being commissioned by us at Vijayanagar in Karnataka (2x300 MW) and Ratnagiri in Maharashtra (4x300 MW). JSWECE offers advanced simulator training programs to other power generating companies too.

JSWECE signed a MoU with M.S. Ramaiah Institute of Technology, Bangalore on June 23, 2009 for providing a one-year full time post-graduate diploma in power plant engineering for engineering graduates which commenced on August 17, 2009.

We intend to train certain of our O&M personnel at each project by the relevant BTG contractor and the other equipment suppliers to the project. In addition, during the first three years of project operation, we intend to have engineers from the BTG contractor and the other equipment suppliers available to assist our personnel in project operation and maintenance.

X. Insurance

We have taken out insurance for all our projects during the construction phase, as per the advise of our lenders' insurance consultants, 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. 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. The key details of our key insurance policies are provided in the following table:

Name of the Company	Type of Insurance	Sum Assured (Amount Rs. in million)	Validity Period	
JSW Energy Limited - SBU I	Industrial All Risk Policy	16,640.66	April 1, 2009	March 31, 2010
	Office Package Policy	59.82	April 1, 2009	March 31, 2010
	Fire Stock Policy	310.00	April 1, 2009	March 31, 2010
	Marine – Import	30.00	April 1, 2009	March 31, 2010
	Marine – Inland	170.00	April 1, 2009	March 31, 2010
	Group Mediclaim	100.65	December 27, 2008	December 26, 2009
	Group Accident Policy	1,864.87	March 17, 2009	March 16, 2010
	Public Liability Policy	250.00	April 1, 2009	March 31, 2010
	Directors & Officers Liability	150.00	July 1, 2009	June 30, 2010
	Motor Vehicle	12.40	August 1, 2009	July 31, 2010
JSW Energy Limited - SBU II	Industrial All Risk Policy	24,992.09	July 29, 2009	March 31, 2010
	Office Package Policy	4.05	May3, 2009	March 31, 2010
	Fire Stock Policy	1,060.00	April 1, 2009	March 31, 2010
	Marine - Import Coal	4,000.00	May 14, 2009	May 13, 2010
	Marine – Inland	100.00	April 1, 2009	March 31, 2010
JSW Energy (Ratnagiri) Limited	Erection All Risk	36,630.00	October 1, 2007	September 30, 2010
	Marine Cargo Insurance - Import	20,000.00	October 1, 2007	September 30, 2010
	Marine Cargo Insurance - Inland	7,000.00	September 28, 2007	September 27, 2010
	Terrorism and Sabotage	36,630.00	February 7, 2008	September 30, 2010
Jaigad PowerTransco Limited*	Erection All Risk	4,460.00	October 1, 2008	March 31, 2010
Raj WestPower Limited Phase -I	Erection All Risk	47,670.00	September 26, 2007	January 25, 2011
	Marine Cargo Insurance - Import	15,300.00	April 23, 2008	December 31, 2009
	Marine Cargo Insurance - Inland	15,000.00	September 26, 2009	September 25, 2010
	Terrorism	47,670.00	September 28, 2007	January 25, 2011
	Coal Import Policy	1,500.00	March 9, 2009	March 8, 2010
	Marine Inland Open Policy	6.00	June 26, 2009	June 25, 2010

* This insurance policy was taken out by the EPC contractor during the implementation of this project.

XI. 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.

The Kyoto Protocol promotes for the Clean Development Mechanism ("CDM"), a program that encourages sustainable development projects that reduce greenhouse gases in the earth's atmosphere by issuing tradable certificates called Certified Emission Reductions ("CERs"). JSWEL already has one project registered with the UNFCCC, its duel fuel power plant at Vijayanagar, Karnataka, which has generated and realized 3.97 million CERs to date.

We intend to implement high efficiency power generation using coal-fired super-critical technology at some of our power projects. Due to the super-critical conditions, the efficiency of steam generation through super-critical technology is significantly higher than that from the conventional sub-critical technology. Higher steam generation efficiency and higher overall cycle efficiency should lead to lower coal consumption for the generation of the same amount of electricity resulting in a reduction of greenhouse gas emissions into the atmosphere, mitigating global warming. Hence, we expect to be eligible for the clean development mechanism benefits for our coal –fired power plants.

We expect to be eligible for CER benefits for some of our projects under construction, implementation and development, such as the 240 MW Hydroelectric Power Plant at Kutehr and from use of super critical technology at our projects under development.

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 development 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 intend to equip all our power plants with devices for the control of pollutants to levels within required norms. We also intend to develop projects along the coast, where possible, so that we can use sea water to cool our power plants and 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.

XII. Competition

We compete with Indian and foreign companies operating in the power business in India. We currently function in an increasingly competitive environment, mainly due to the deregulation of the Indian power sector and increased power sector investment. Some of our competitors may have more experience in the development and operation of power projects. As a result, we may face competition from other Indian companies seeking to expand their power generation business as well as international power companies while negotiating or bidding for power projects. Competitive bidding for power procurement further increases competition among power generating companies. In addition, a number of these companies may have greater resources than us. We may face competition with respect to setting up power projects and with respect to selling excess power generated by our power projects that is not tied-up through long-term PPAs. However, 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 employ a dedicated team of professionals to track opportunities in the field of power sector, bidding / tendering for development/implementation of power projects in India. Information pertaining to various upcoming bids/tenders is then communicated to a core business development team (comprising of senior management of the Company) which decides on the opportunities to be pursued by the Company and then prepares the bids for the identified opportunities.

We face competition in power generation from companies such as National Thermal Power Corporation, Reliance Power Limited, Tata Power Limited, Essar Power (Gujarat) Limited, Adani Power Limited and KSK Energy Ventures Limited, amongst others. See the section titled "Industry Overview" on page 60 of this Red Herring Prospectus.

XIII. 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 under development 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 fire-fighting equipment, fire tenders and ambulances for all of our projects under development, once they commence operations.

XIV. Intellectual Property

We do not own the 'JSW' trademark and logo which is owned by Jindal Investments Private Limited ("JIPL"), one of our Promoters. We do not have a formal agreement with JIPL, nor have we made nor are we required to make any payments to JIPL for the use of the 'JSW' trademark.

XV. Property

We own and lease certain properties for corporate operations and project development activities. The brief details of some of the material properties owned/ leased by us for our corporate purposes are set out below:

Description	Owned/ leased
Land at Toranagallu, measuring 241.84 acres	Owned
Flat no. 301, 3rd floor in the "A" Wing, Valencia at CTS No. 1A/9, at Village Anik, Taluka Kurla, B.S.D. Wadala (East), Mumbai 400031 measuring 509 sq. ft.	Owned
Flat no. 301, "Saarthi" 33, K.M.Munshi Marg, Chowpatty, Mumbai 400 007, measuring 1,850 square feet	Owned
House at flat No. 12, I Floor, Plot No. 25, Vrindavan Residential Complex, Village Khativali, Taluk Shahpur, District Thane, Maharashtra, measuring 612 sq. ft.	Owned
Premises at 1st, Floor, Jindal Mansion, 5A Dr. G.Deshmukh Marg, Mumbai measuring 5,000 sq. ft.	Lease for a period of 5 years from June 1, 2008 to May 31, 2013

We are currently in negotiations to lease the premises occupied by us as our corporate office at The Enclave, New Prabhadevi Road, Prabhadevi, Mumbai 400025, measuring 3,702 sq. ft.

JSWSL, JSWPTC, Windsor Residency Private Limited (collectively "JSW") and Orbit Shelter Private Limited ("Orbit") have entered into a MoU on December 27, 2007 whereby Orbit has agreed to sell a parcel of land to JSW and to develop and construct a multi-storied building. JSWPTC is entitled to purchase and own an area measuring about 49,950 square feet plus 60 car parking.

We have entered into an option agreement with Windsor Residency Private Limited to acquire up to 25,000 sq. ft. of saleable area in the property for a consideration of Rs. 1012.50 million.

XVI. Corporate and Social Responsibility

We participate in social development activities through the initiatives of the JSW Group. Three public charitable trusts (Jindal South West Foundation, Hampi Foundation and Friends of the Sir J J School of Arts), administer the social development activities and initiatives of the JSW Group. These trusts annually consult with the management and other company personnel to identify the list of activities that are incorporated into the JSW Group's Business plan. These trusts undertake activities in the areas of education, health, arts and culture, natural resources management and conservation activities and social responsibility and awareness. In addition, these trusts work in collaboration with other established organizations, programs and research groups in our Corporate and Social Responsibility initiatives. For example, the Company has given the JSK/Prerna award, an award to encourage responsible parenthood, to 124 couples in Barmer, Rajasthan who have demonstrated responsible parenthood, and created the II Earth Care Award in partnership with The Times of India to recognize excellence in climate change mitigation and adaptation.

DESCRIPTION OF CERTAIN KEY CONTRACTS

A. Key Agreements entered into by the Company

1. Coal Sales Purchase Contracts

(a) The Company has entered into a coal sales purchase contract ("CSPC") dated January 4, 2008 with PT Sungai Belati Coal ("Seller"), Indonesia for the supply of coal. The CSPC provides that the supply of coal shall commence from June 2011 onwards with the supply of 1,000,000 MT of coal in the delivery year commencing in June 2011. The parties have agreed that the quantity of coal to be bought by the Company in every delivery year shall progressively increase to 8,000,000 MT by June 2014. Thereon, the Company is required to purchase 8,000,000 MT (subject to revision of 10% at the option of the Company) in every delivery period from June 2014 onwards till the expiry of a 25 year term from June 2011 onwards. In the event the Company does not purchase this agreed quantity of coal, it shall be required to pay compensation for the shortfall as agreed under the CSPC. In the event that the Seller is not able to supply the agreed quantity, the Company is entitled to source such supplies from third parties and the Seller is required to pay for the difference in the price of the coal sourced from the third party. The parties have agreed to a fixed price and the escalation formula under the CSPC. The obligations of the parties are subject to force majeure conditions.

The CSPC has been amended by way of an amendment agreement dated July 10, 2009 ("Amendment Agreement") entered into between the Company and the Seller. In terms of the Amendment Agreement, the Seller will supply 1,000,000 MT per annum during 2010-2011, followed by 350,000 MT per annum during 2012-2013 and 1,000,000 MT per annum from 2013-2014 onwards. Pursuant to the Amendment Agreement, the price of the coal will be linked to the weekly RB Index published by globalCOAL based on Richards Bay FOB prices ("Base RB Index") as on the date of the Amendment Agreement. In the event that the actual RB Index published prior to the scheduled shipment date is higher than the Base RB Index, then the price payable will be the base price as mentioned in the Amendment Agreement plus 50% of the difference between the actual RB Index and the Base RB Index.

(b) The Company has also entered into a coal supply agreement dated January 4, 2008 with JSW Natural Resources Mozambique Limitada. The terms of this agreement are same as that of the CSPC save for the following:

- The supplies shall commence from June 2011 onwards with 1,000,000 MT which shall progressively increase to 6,000,000 MT;
- The Company has to purchase 6,000,000 MT of coal in each delivery year from June 2013 onwards; and
- The fixed price agreed to is different.

2. Share Purchase Agreement for PT Param Utama Jaya

A Share Purchase Agreement dated January 18, 2007 was entered into between Mr. Bhopinder Singh, Mr. Dicky Irawan ("Sellers") and JSWEL, JSWPTC ("Purchasers") and PT Param Utama Jaya as the confirming party.

The Sellers who were owners of 1500 equity shares representing 100% of the total paid up equity share capital of PTPUJ wanted to sell their shares (100% of the issued and paid up capital of PTPUJ) to JSWEL. The consideration was paid on the basis of a valuation undertaken by independent valuers. JSWEL and JSWPTC have agreed to purchase from the sellers the shares free from encumbrances on the terms and conditions contained in this Agreement, with an intent to acquire and own the legal and beneficial interest in the shares and take over the effective control over the management and affairs of the PTPUJ.

3. Joint Venture Agreement between JSWEL and Maharashtra State Electricity Transmission Company Limited

JSWEL has entered into a joint venture agreement dated August 5, 2008 ("JV Agreement") with Maharashtra State Electricity Transmission Company Limited ("MSETCL") to form a joint venture ("JV Company") to build, own and operate the transmission system/network ("Project") wherein the transmission capacity will be used for evacuation of power generated by JSWERL's 1200 MW power generation project at Jaigad in Ratnagiri ("Power Plant"). Pursuant to the JV Agreement, JSWEL holds 74% and MSETCL holds 26% of the equity capital of the JV Company. The authorised share capital of the JV Company will be Rs. 10 million divided into one million equity shares of Rs. 10 each, which may be increased from time to time. For a period of five years from the commercial operation date of the Project, neither the Company nor MSETCL has the right to transfer the shares held by them in the JV Company. Upon the expiry of five years from the commercial operation date of the Project, the parties may transfer the shares held by them in the JV Company after giving the other party a right of first refusal. However, the Company or MSETCL can transfer the shares held by them to any of their respective wholly owned subsidiaries without giving a right of first refusal to the other party. The board of directors of the JV Company will comprise not more than nine directors and as long as the shareholding pattern of the JV Company remains unchanged, the Company will be entitled to nominate five directors and MSETCL will have the right to nominate three directors. One director will be an independent director who will be nominated jointly by the Company and MSETCL. In terms of the JV Agreement the financial liability of the parties is limited to any unpaid amount of the issued share capital required to be subscribed to by them.

The JV Agreement can be terminated by mutual consent of the parties and also on the grounds such as non-receipt of requisite approvals and permissions for the Project, either of MSETCL or the Company being declared insolvent or if the payment in respect of the shares has not been paid by any party within the stipulated time. MSETCL or the Company has the right to terminate the JV Agreement in the event of any breach of the terms by the other party and the same not being cured within a period of 15 days from the receipt of written notice from the non-defaulting party.

4. Joint Venture Agreement between JSWEL, JSWSL and Toshiba Corporation

JSWEL and JSWSL have entered into a joint venture agreement dated May 7, 2008 ("JV Agreement") with Toshiba Corporation ("Toshiba") to form a joint venture company "Toshiba Jindal South West Turbine and Generator Private Limited" or such other names ("JV Company") to undertake, designing, engineering, manufacturing, assembly and sale of STG Products, supervision of installation and commissioning of steam turbines and generators ("STG Products") and/or sale of parts and components for the STG products. Pursuant to the JV Agreement, Toshiba holds 75%, JSWEL holds 20% and JSWSL shall hold 5% of the equity capital of the JV Company. JSWSL shall hold the shares in the JV Company in its capacity as an affiliate of JSWEL and will be entitled to hold the shares only as long as it is an affiliate of JSWEL. In terms of the JV Agreement, so long as JSWEL holds 20% and JSWSL holds 5%, the JV Company will undertake such other business as may be approved by the board of directors with the prior written consent of JSWEL and JSWSL. The authorised share capital of the JV Company Rs. 2,200 million divided into 220 million equity shares of Rs. 10 each. Pursuant to the JV Agreement, Toshiba has agreed to provide a guarantee in relation to the sale of STG Products so long as it holds at least 51% of the equity capital of the JV Company. It has been agreed among the parties that within 90 days of the JV Agreement, the JV Company and Toshiba will enter into a separate agreement for the transfer of technical information by Toshiba to the JV Company for use of the trademarks and trade names of the parties by JV Company. JSWEL and the JV Company will enter into a separate agreement in relation to the services and assistances to be provided by JSWEL.

In accordance with the JV Agreement, JSWEL, JSWSL and Toshiba are restricted from entering into any business which competes with the business of the JV Company. However, Toshiba is permitted to accept and perform orders for sale of STG Products up to September 2009, for orders received by it prior to September 2009 and all the proposals received after September 2009 by Toshiba, should be forwarded to the JV Company. The parties to the JV Agreement have agreed to bring in additional capital in the proportion of their shareholding, as and when the board of directors of the JV Company decides. Toshiba, JSWEL or JSWSL shall not transfer, assign or dispose their holding in the JV Company for a period of 10 years without the prior written consent of the other parties. After 10 years, the parties may transfer the shares held by them in the JV Company, after issuing a notice to the other parties of its intention to sell the shares naming the proposed buyer. The other parties have the option of buying the shares from the party intending to sell the shares on the terms mentioned in the transfer notice, within a period of 60 days.

The JV Agreement shall be in force until it is terminated by the parties. The JV Agreement will terminate automatically upon any of the parties to this JV Agreement ceasing to be a shareholder of the JV Company. The JV Agreement may also be terminated on other grounds including any action of a governmental authority debarring the JV Company from carrying on its business, any party committing material breach of the terms of the JV Agreement or a change in control of any party.

5. Services and Assistance Agreement between JSWEL and Toshiba JSW Turbine and Generator Private Limited

The Company has entered into a services and assistance agreement with Toshiba JSW Turbine and Generator Private Limited ("Toshiba JSW") on September 7, 2009 ("Services and Assistance Agreement"). The Services and Assistance Agreement has been entered into pursuant to the joint venture agreement dated May 7, 2008 between the Company, JSWSL and Toshiba Corporation ("JV Agreement") wherein, it was agreed that the Company will enter into an agreement with Toshiba JSW for providing certain services and assistance to Toshiba JSW including, inter alia:

- Obtaining necessary approvals, permits, consents, certificates, licenses, agreements, concessions that are required to be obtained by Toshiba JSW pursuant to applicable laws;
- Acquiring and/or leasing land and other assets and properties in connection with the business and operation of Toshiba JSW;
- Building factory and any other facilities for the business and operation of Toshiba JSW;
- Purchasing and importing the machineries, material and equipment for the business and operation of Toshiba JSW;
- Applying for tax deductions and exemptions and any investment incentive available to Toshiba JSW;
- Obtaining all requisite insurance policies;
- Coordinating and liaising with the Central Government and the State Governments for the matters favourable to and affecting Toshiba JSW; and
- Providing any other assistance or services which Toshiba JSW may reasonably request.

The Services and Assistances Agreement may be terminated (i) by a mutual written agreement between the Company and Toshiba JSW; (ii) upon the termination of the JV Agreement; (iii) upon insolvency or bankruptcy of Toshiba JSW; (iv) upon material breach of the Services and Assistances Agreement by the Company or Toshiba JSW, such breach not being cured within 60 days from the date of written notice from the non-defaulting party.

6. MoU between JSWEL and JSW Power Trading Company Limited

A MoU has been entered into between JSWEL and JSW Power Trading Company Limited ("JSWPTC") on January 8, 2008 for the sale of surplus power generated by the entire power generation business of the JSW Group companies ("JSW Group"). Pursuant to the MoU, the JSW Group will supply surplus power available with them after meeting the contractual obligations under various long term power purchase agreements, to JSWPTC. JSWPTC will sell the same to various customers across India at prices determined by JSWEL and JSWPTC together. JSW Group will raise an invoice in the first week of every month for the power supplied by it in the previous month.

This MoU will remain in force until JSWEL and JSWPTC enter into a comprehensive agreement.

7. MoU between JSWEL and Tractebel Engineering, Belgium

A MoU has been entered into between JSWEL and Tractebel Engineering, Belgium ("Tractebel"), on February 4, 2009 for nuclear power generation in India. Pursuant to the MoU, JSWEL will monitor the emerging opportunities in nuclear power generation in India and keep Tractebel informed of the opportunities. JSWEL has also agreed to identify and advise Tractebel on opportunities in nuclear power generation available for joint participation of JSWEL and Tractebel. In terms of the MoU Tractebel and JSWEL will make available to each other the appropriate know how, experience, care, skill and personnel necessary to carry out the obligations under the MoU. The MoU will terminate on February 3, 2014.

8. MoU between JSWEL and IDFC

An MoU was entered into between JSWEL and IDFC on November 14, 2007. The Government of Karnataka has invited proposals from bidders for procurement of power on a long term basis through a Tariff based Bidding Process for three separate Power Plants to be set up in the state. JSWEL and IDFC have, under this agreement agreed to join and participate in the RFQ bidding process with a view to enable JSWEL to qualify and with the intention of winning the bid jointly. This MoU lays down the terms and conditions governing the investment of the parties in the equity share capital of the JVC to be incorporated after the consortium being declared as qualified and successful. The parties agree to support each other for the purpose of bidding for the projects, development, financing, construction and operation of the projects. The JSWEL and IDFC agree to form a SPV with a shareholding commitment of 51% and 49% respectively and agree to record the terms of this agreement in a Shareholders Agreement to be executed within 180 days of signing this MoU or any other extended date as may be mutually agreed. The responsibilities of the parties as laid down in the MOU, is that JSWEL shall be responsible for taking a lead role for bidding the Project , interacting, liasoning with the Government and preparation and submission of bid for the project and IDFC shall be responsible for acting as the financial advisor and investor for the bid, agreeing to subscribe, at IDFC's option 49% of the equity. IDFC's return on investments shall not be less than 20% p.a. JSWEL has agreed that all preliminary expenses, cost and overheads incurred for the preparation, submission of the offer for qualification/tender bid shall be borne by it.

This agreement terminates on the signing of the SHA. In case the SHA is not entered into within 180 days and unless the said period of 180 days is extended, the MoU shall terminate but can be extended by mutual consent of the parties. The MoU also terminates automatically in the event any of the projects are not allotted to the consortium pursuant to a bid made by the consortium.

9. MoU between JSWEL and Ministry of Natural Resources and Energy, Government of Swaziland

A MoU has been entered into between JSWEL and the Ministry of Natural Resources and Energy, Government of Swaziland ("GoS") on July 10, 2009 for the grant of prospecting and Mining Rights to JSWEL over certain coal reserves located in Swaziland, to establish a 130 MW Power Generation Plant and to sell power to Swaziland on a cost plus basis with minimum of an ROE of 15.5% to 16% for JSWEL. The estimated investment in the project is US$ 350 million. Under the terms of the MoU, the GoS shall grant mining and prospecting rights, upon which JSWEL shall undertake geological exploration of such areas and submit a proposal to the GoS for mining of the deposits and establishment of the power generation plant. Subsequently, agreements will be entered into by JSWEL with GoS authorities for the establishment of the Plant.

10. MoU between JSWEL and Maharashtra State Electricity Distribution Company Limited

A MoU has been entered into between JSWEL and Maharashtra State Electricity Distribution Company Limited ("MSEDCL") on April 29, 2009 for sale and supply of power from 3200 MW Thermal Power Project at Jaigad in Ratnagiri District. Pursuant to the MoU, JSWEL has offered the generation capacity in aggregate of 1000 MW and sale and supply of electricity in bulk there from to the procurer for a term of 25 years. The supply would be made at tariff determined by the Central Electricity Regulatory Commission or the Maharashtra Electricity Regulatory Commission.

B. Key Agreements entered into by the Joint Ventures of the Company

1. MoU between Toshiba JSW Turbine and Generator Private Limited and Government of Tamil Nadu

A MoU has been entered into between Toshiba JSW Turbine and Generator Private Limited ("Toshiba JSW") and the Government of Tamil Nadu ("GoTN") on July 7, 2009 for the setting up of the project for manufacturing sub critical and super critical steam turbine and generator sets near Chennai in Tamil Nadu ("Project"). Pursuant to the MoU, GoTN has agreed to provide infrastructure support to Toshiba JSW in the form of land allotment, power, water supply, roads and various other fiscal incentives.

Toshiba JSW has the right to terminate the MoU in the event that it is unable to use the land allotted by GoTN for continuous 30 days in a single event or for 60 days in aggregate due to the obstruction of peaceful possession of the land.

C. Key contracts in relation to our projects.

I. 260 MW Power Plant, Vijayanagar, Karnataka

1. A Power Purchase Agreement between JSWEL and JSWSL

JSWEL entered into the Power Purchase Agreement with JSWSL on August 31, 2006 to sell a part of the capacity and output of the power generation undertaken by JSWEL through the dual fuel power plants which it owns, operates and maintains, at the site adjacent to JSWSL's steel plant.

Under the PPA, the obligations of JSWEL, *inter alia*, shall include, the supply of power up to the capacity contracted at delivery point, on the terms as laid down in the PPA, maintenance of records to demonstrate the plant availability to the extent of 85% of the contracted capacity in MWs on a quarterly basis and ensuring that power shall be made available on and from the effective date. Further, under the terms of the PPA, JSWSL shall pay for the deemed consumption at Rs. 1.30 per unit. JSWSL has agreed to pay a tariff of Rs. 2.60 per unit. The tariff is based on the assumption that the fuel cost per unit of net power generation is Rs. 1.30 and in case of any variation in fuel cost, there would be corresponding variation in the tariff for power. Also, JSWSL is entitled to offset the payments due to JSWSL under this PPA against the amount due to JSWEL under the Fuel and Water Supply Agreement dated December 12, 2001.

Under the terms of the PPA, the metering equipment including meters shall be owned by the Company and the maintenance and the provision of providing metering data by the Company to JSWSL shall be according to the prudent practices, as defined under the PPA. As set forth in the PPA, the monthly meter readings (both billing and check meters) shall be taken jointly by the parties on the first day of a month. Further, neither party to the PPA shall be liable or responsible to the other party, *inter alia*, for incidental, indirect or consequential damages, connected with or resulting from performance or non-performance of the PPA.

The term of the PPA has been prescribed to be effective till March 31, 2012, unless terminated earlier pursuant to the terms of the PPA.

The Agreement may be terminated if either party commits a material breach of any of the provisions of the Fuel Supply Agreement dated December 12, 2001.

The parties have a right to serve a notice of termination on the other party on terms as prescribed under the PPA. The notice of termination is supposed to specify in detail the circumstances giving rise to the notice. Thereafter, the parties are required to consult each other for a period of 60 days and if the defaulting party is unable to cure the default in the aforesaid period, then the other party may terminate the PPA, by giving a written notice.

2. Operations and Maintenance Agreement between JSWEL and JSWSL

JSWEL entered into an O&M Agreement with JSWSL on August 17, 2006. Under the terms of this agreement, JSWEL agreed to provide operation and maintenance for the power plants (1 x 100 MW and 1 x 130 MW) owned by JSWSL at Bellary, and to supply power to persons designated by JSWSL, collect charges for power purchased by such persons and pay the same to JSWSL, on the terms as laid down in this agreement.

Under the terms of this agreement, the obligations of JSWEL, inter alia, include providing competent and skilled staff for the operation and maintenance of the plant and maintaining strict discipline and good order amongst its personnel and its sub-contractors.

This agreement also provides that the Company shall not, without the prior written approval of JSWSL, *inter alia*, enter into any agreement which purports to bind or create any liability on JSWSL, or pledge the credit of JSWSL in any way or take any action which results in any adverse impact on JSWSL's compliance or file or prosecute any claim, suit or litigation on JSWSL's behalf or enter into any obligations for borrowed money on behalf of Captive Power Plant ("CPP") or JSWSL, or permit or suffer any liens or encumbrances on the CPP.

This agreement came into force on April 1, 2006 and is effective for a period of 5 years. The Agreement may be renewed for such additional period and on such terms and conditions as may be mutually agreed between the parties.

Under the terms of this agreement, JSWSL has the option of terminating the agreement by giving a written notice of 90 days, for which JSWSL will be required to compensate the Company on the terms as laid down under the O&M Agreement.

If so required by any of the Lenders, JSWEL has agreed not to terminate the Agreement on account of JSWSL default until it has provided the Lenders with written notice of such JSWSL default at least 30 days prior to any intended termination. JSWEL shall not terminate the Agreement as a result of any JSWSL default if such JSWSL default has been cured prior to the effective date of termination, or any of the Lenders has instituted and is diligently pursuing corrective action to cure such JSWSL default.

JSWEL may sub-contract any of its activities and obligations to any qualified sub-contractors. JSWSL will have the right to instruct JSWEL not to sub-contract to any particular contractor. Any appointment of such sub contractors shall not relieve JSWEL of its duties and obligations under the Agreement.

3. Lease cum Sale Agreement between Karnataka State Industrial Investment and Development Corporation Limited and JSWEL

A lease cum Sale Agreement was entered into between Karnataka State Industrial Investment and Development Corporation Limited ("KSIIDCL") and JSWEL on November 18, 1996. KSIIDCL which was the absolute owner and was in possession of a parcel of land, under this agreement agreed to transfer 241.84 acres of land situated at Bellary District in Karnataka to JSWEL for the purpose of setting up the power plant for a consideration as agreed to under the Agreement for a term of ten years computed from November 19, 1995. The lease is for the consideration of the pre-determined sum being premium payable by the Lessees and on the rent reserved.

Under the Agreement, the parties have agreed that not less than one month prior to the expiry of the ten years, KSIIDCL shall offer an option to JSWEL to purchase the property on an outright basis.

Pursuant to the same, JSWEL has exercised its option to buy the land and JSWEL and KSIIDCL entered into a Deed of Sale on August 30, 2006 for the sale of the above land.

4. Fuel and Water Supply Agreement between JSWSL and JSWEL.

This Fuel and Water Supply Agreement entered into between JSWSL and JSWEL on December 12, 2001 to amend, restate and supersede the Fuel Supply Agreement entered into by the parties on December 7, 1995. JSWSL has installed water facilities as one of the common facilities for the steel plant owned by it and the power plant of JSWEL for which JSWEL has paid proportionate share of capital costs.

Under this agreement, JSWSL agrees and undertakes to sell and deliver to JSWEL, and JSWEL agrees and undertakes to purchase, accept and pay for fuel and water in such quantities as specified in the agreement, upon the terms and conditions set out in this agreement and for such price as specified in the agreement. Under this agreement, JSWSL agrees that it shall at all times maintain coal stocks for JSWEL for immediate delivery which shall be available for inspection by JSWEL at all times. JSWSL is also required to maintain the coal systems in accordance with the prudent practices to ensure availability of coal in accordance with JSWEL's requirements. JSWSL is also required to make available to JSWEL supply of water in such quantities as it may require up to a maximum of 28,000 cubic meters per day and up to a maximum rate of 1,200 cubic meters per hour. The seller shall be relieved of his obligation to deliver fuel during the Coal System Maintenance period. The parties have agreed to establish an operating committee which shall develop and agree upon operating procedures no later than one month from the date of this Agreement.

Under the agreement, atleast 30 days before the beginning of each contract year, JSWSL shall submit its plan for the coal systems scheduled maintenance period for information and co-ordination purposes, its plan for the steel plant scheduled maintenance period for that contract period.

In the event of failure by JSWEL to pay the invoice within the due date, JSWEL is liable to pay interest for the period of delay.

This agreement will be in force for a period of 30 years. The parties have a right to serve a notice of termination on the other party in case of an event of default as described in the agreement. The notice of termination is supposed to specify in detail the circumstances giving rise to the notice. Thereafter, the parties are required to consult each other for a period of 45 days in case of a failure of either party to make payments when due and 90 days in case of any other event of default and if the defaulting party is unable to cure the default in the aforesaid period, then the other party may terminate this agreement, by giving a written notice.

II. JSWEL SBU-II (2X300 MW) Project

Pursuant to a scheme of amalgamation approved by the High Court of Bombay by its order dated October 10, 2008, JSWEVL merged into the Company and all the agreements entered into by JSWEVL stood transferred to the Company from April 1, 2008, the Appointed Date.

1. Power Purchase Agreement between JSWEVL and JSW Steel Limited

JSWEVL entered into the Power Purchase Agreement with JSWSL on September 21, 2006 to sell a part of the capacity and output of the power generation undertaken by JSWEVL through the thermal power plants which it owns, operates and maintains, at the site adjacent to JSWSL's steel plant.

Under this PPA, JSWEVL has agreed to sell to JSWSL and JSWSL has agreed to pay the consideration for the actual capacity and the active energy supplied at the delivery point. JSWEVL has agreed to use its reasonable endeavours in accordance with prudent practices to maintain a power factor at the delivery point of 0.90 or above. The energy supplied shall be subject to technical specification. JSWSL has agreed to subscribe to 26% of the equity share capital issued by JSWEVL and has agreed to consume power in its capacity as a captive consumer of power from the plant.

Under the agreement, JSWEVL has agreed to promptly notify JSWSL of the anticipated date and actual date of commencement of the commissioning period and shall also raise invoices before the tenth day of each month for the capacity payments as adjusted for the amount of any reconciliation made. The power plant is required to be operated as a base load operation. Also, before the commencement date, JSWEVL is required to enter into an O&M Agreement with JSWEL. Also, at least 30 days before the beginning of each contract year, the seller is required to submit its plan for scheduled maintenance periods for that year to the operating committee. JSWEVL shall also have to keep complete and accurate records and all other data required by JSWSL for the proper administration of the PPA. It shall also procure, install, own and maintain a seller metering system.

The term of the PPA has been prescribed for 10 years, unless terminated earlier pursuant to the terms of the PPA. JSWSL's default *interalia*, consists of, non payment within 75 days of the due date of payment or a material breach by it which has a material adverse effect on JSWEVL. JSWEVL's default *interalia*, consists of, a material breach by JSWSL which has a material adverse effect on JSWSL or it suffers an encumbrance to take possession in respect of its assets or any steps taken with a view to liquidation of the buyer or buyer has become insolvent. The parties have a right to serve a notice of termination on the other party on terms as prescribed under the PPA. The notice of termination is supposed to specify in detail the circumstances giving rise to the notice. Thereafter, the parties are required to consult each other for a period as prescribed. If the defaulting party is unable to cure the default in the prescribed period, then the other party may terminate the PPA, by giving a written notice.

2. Power Purchase Agreement between JSWEVL and JSWCL

JSWEVL has entered into a Power Purchase Agreement dated October 1, 2008 ("PPA") with JSW Cement Limited ("JSWCL") to sell a part of the capacity and output of the power generation undertaken by JSWEVL through the 2x300 MW power plant at Toranagullu in Karnataka, to the slag grinding unit/ cement plant of JSWCL. JSWEVL and JSWCL had entered into a power purchase agreement on November 13, 2006 and the parties have decided to revise the terms of the power purchase agreement dated November 13, 2006, through this PPA. On and from the date of its execution, this PPA supersedes the power purchase agreement dated November 13, 2006. Under this PPA, JSWEVL has agreed to offer 26% of the equity share capital to captive users in line with the regulations under Electricity Act, 2003. JSWCL intends to consume power to the extent of one percent of JSWEVL's total gross capacity and has agreed to subscribe to its equity capital.

The obligations of JSWEVL, under the agreement inter alia, include, the supply of power up to the capacity contracted at delivery point, on the terms as laid down in the PPA, maintenance of records to demonstrate the plant availability to the extent of 85% of the contracted capacity on a yearly basis and ensuring that power shall be made available as per the terms of the PPA. JSWCL is required to pay the energy charges and capacity charges calculated as per the provisions of the PPA and all applicable duties and taxes on supply of power including electricity tax. The parties have to obtain all necessary approvals for sale, transmission and purchase of electricity to JSWCL. In the event of failure by JSWCL to pay the invoice within the due date, JSWCL is liable to pay interest for the period of delay calculated at SBI PLR plus one percent.

Under the terms of the PPA, the metering equipment including meters shall be owned by the JSWEVL and the maintenance and the provision of providing metering data by the JSWEVL to JSWCL shall be according to the prudent practices. The monthly meter readings (both billing and check meters) shall be taken jointly by the parties on the first day of a month at 12:00 noon. Further, neither party to the PPA shall be liable or responsible to the other party, inter alia, for incidental, indirect or consequential damages, connected with or resulting from performance or non-performance of the PPA.

The term of the PPA is ten years from the effective date, unless terminated earlier pursuant to the terms of the PPA.

JSWEVL has right of termination, if JSWCL fails to pay the amount outstanding under the agreement or if it commits a material breach of obligation under this agreement and under shareholders agreement. JSWCL has right of termination if JSWEVL commits a material breach of any obligations under this agreement and under shareholders agreement.

The parties have a right to serve a notice of termination on the other party on terms as prescribed under the PPA. The notice of termination is supposed to specify in detail the circumstances giving rise to the notice. If the defaulting party is unable to cure the default within 60 days, then the other party may issue a written notice that the agreement shall be terminated, if the default is not remedied within a further period of 60 days.

JSWEVL and JSWCL have entered into a supplemental Agreement to this PPA on December 10, 2008 for supply of additional power of up to 18 MW which corresponds to 10.28 million units per month, aggregating to 123.31 million units per annum from March 2010. This supplemental agreement is valid for ten years from execution and is an addition to the PPA.

3. Coal Sales Purchase Agreement between JSWEVL and PT Sungai Belati Coal

JSWEVL entered into a coal sales purchase agreement on December 26, 2007 with PT Sungai Belati Coal ("Coal Purchase Agreement") for purchasing coal in respect of its requirement for its 300 MW power plant. The terms of this agreement are same as that of the coal sales purchase agreement entered into by JSWEL with PT Sungai Belati Coal save for the following:

- The supplies shall commence from July 2008 onwards with 500,000 MT for the period July 2008 to March 2009 which shall increase to 1,000,000 MT thereafter;
- The Company has to purchase 1,000,000 MT of coal in each delivery year; and
- The term of the agreement is 25 years from July 2008.

The Coal Purchase Agreement has been amended by way of an amendment agreement dated July 10, 2009 ("Amendment Agreement") entered into between the JSWEL and the PT Sungai Belati Coal. In terms of the Amendment Agreement, PT Sungai Belati Coal will supply 650,000 MT per annum during 2009-2010, followed by 2,000,000 MT per annum from 2010-2011 onwards. Pursuant to the Amendment Agreement, the price of the coal will be linked to the Base RB Index as on the date of the Amendment Agreement. In the event that the actual RB Index published prior to the scheduled shipment date is higher than the Base RB Index, then the price payable will be the base price as mentioned in the Amendment Agreement plus 50% of the difference between the actual RB Index and the Base RB Index.

4. Letter Agreements between JSWEL and JSWSL for supply of water and coal handling

JSWEL has entered into a letter agreement dated February 4, 2009 with JSWSL for the supply of water. Under this agreement, JSWSL will supply the water that it receives from the Almatti Water Authority to JSWEL. Water will be supplied subject to availability and after meeting the requirements of JSWSL, in such quantities up to a maximum of 36,000 cubic meters per day.

JSWEL has also entered into another letter agreement dated February 4, 2009 with JSWSL, pursuant to which JSWSL will handle JSWEL's coal at Tornagallu, Vijayanagar for a period of 15 years. The scope of this agreement includes handling of coal from the wagons into the raw material yard, stacking, storage and placing the same on the conveyer for moving the coal to the coal storage bunkers. JSWEL will pay JSWSL a fixed charge for every cubic meter of water supplied and for every metric ton of coal unloaded by JSWSL in addition to operating costs.

JSWEL and JSWSL have agreed to enter into definitive water supply agreement and coal handling agreement pursuant to these letter agreements.

III. Raj WestPower Project

1. Share Purchase Agreement for RWPL

A Share Purchase Agreement was entered into between Maharaj Jai Singh, Maharaj Prithvi Raj, SMS Investment Corporation Private Limited ("Sellers"), JSW Energy Limited and RWPL on February 10, 2006. RWPL was incorporated to implement lignite based power projects in Barmer. Pursuant to an MoU entered into by the parties dated March 11, 2005, where the Sellers, who hold 52,000 fully paid equity shares constituting 100% of the issued share capital of RWPL have agreed to sell and transfer their legal and beneficial interest over the entire shareholding of RWPL to JSWEL, the parties have entered into this agreement to lay down the terms and conditions of the sale. Under this Agreement, JSWEL has purchased the 52,000 equity shares having a face value of Rs. 10 per equity share along with all rights, benefits, dividends, distributions and other rights attached thereto, and constituting 100% of the share capital of RWPL from the Sellers by waiving the condition precedents by the Sellers as stipulated in the MoU subject to the terms of this Agreement.

At the time of entering into the MoU, JSWEL paid to the Sellers an advance which was adjusted against the sale consideration. Under this agreement, JSWEL has also agreed to pay a lumpsum amount to SMS Investment Corporation Private Limited through RWPL for it to discharge and repay RWPL's entire outstanding loans due.

2. Amended and Restated Consortium Agreement between JSWEL, South West Mining Limited and RWPL

Pursuant to the competitive bidding process for the power plant, where the consortium of West Power was awarded the project on a BOOM basis, West Power formed RWPL as its SPV. An Amended and Restated Consortium Agreement was entered into between JSWEL, South West Mining Limited ("SWML") and RWPL (collectively, "West Power Consortium") on February 28, 2006. Subsequently JSWEL acquired 100% of the shareholding of RWPL vide a Share Purchase Agreement. West Power by their letter dated February 25, 2006 reported to Rajasthan Rajya Vidyut Nigam Limited ("RVNL") that the consortium has now changed and consists of JSWEL and SWML. Both JSWEL and SWML have decided to mutually cooperate in the implementation and execution of the Project, and have hence entered into this Agreement.

Under this agreement, the parties have agreed that JSWEL shall be the lead member of the West Power Consortium. The lead member shall be responsible for the total scope of work during implementation of the project. SWML is the second member of the consortium, and shall assist RWPL in the coal/lignite mining activities of RWPL. The West Power Consortium members undertake to place all technical and other know how, skill, knowledge, specification, information, advice and assistance which it has in its power to provide and which may be necessary or desirable to the Parties for the successful execution of the project by RWPL. RWPL is responsible for the execution of the project. The West Power Consortium members have designated RWPL to represent the consortium in all the dealings with the GoR, RVPNL, and other government and private agencies.

Each of the members undertake, under this agreement, to hold atleast 2% of the total equity in RWPL and not to liquidate or dilute such holding for a period of 15 years from the effective date without the prior approval of GoR and that they will control and contribute at least 11% of the Capital Cost of the Project by subscribing to shares of RWPL. All costs for the development and implementation of the Project including in relation to legal fees and expenses, financial expenses and tax shall be borne by RWPL. No party can withdraw from the consortium during the term of the project.

3. Implementation Agreement between Government of Rajasthan and RWPL

Pursuant to the GoR approving the Consortium to execute the setting up of lignite mining cum thermal power projects at Jalipa and Kapurdi, through RWPL, RWPL was permitted to build, own, operate and maintain, base load power plants comprising of 500 MW each (total 1,000 MW) based on lignite in Barmer at its own costs for a period of thirty years from the commercial operations date of the project on BOOM basis.

Under the terms of this Implementation Agreement entered into on May 29, 2006 between GoR and RWPL, RWPL is required to start generation of power from the first unit within 36 months from the date of signing of the Power Purchase Agreement between the Rajasthan Discoms and RWPL.

RWPL entered into a consent agreement dated March 17, 2006 with the companies listed out in the RWPL Implementation Agreement, ("Rajasthan Discoms"), setting out the understanding for the sale of the entire capacity of the power project and all the net electrical output.

Under the terms of this agreement, the project shall have two components: (i) mining component and (ii) power component. The RWPL Implementation Agreement requires setting up of a joint venture company between RWPL and RSMML for the purposes of carrying out lignite mining for the Mining Component of the project. Investment shall be made by RWPL in the JV with no liability on Rajasthan State Mines & Minerals Limited.

Under the terms of this Agreement, RWPL has to enter into a Fuel Supply Agreement with a JVC, proposed to be entered into between Rajasthan State Mines and Minerals Limited and RWPL (now incorporated as Barmer Lignite Mining Company Limited) for the period of 30 years. Under the terms of this Agreement, if within 16 months of the coming into force of the Agreement, RWPL, *inter alia*, due to its downfall, fails to obtain and provide GoR copies of consents, licenses, permits, approvals, etc. as may be necessary to fulfill the terms of the agreement or if the Company fails to achieve financial closure, GoR may rescind the agreement, after giving a written notice of 30 days.

Further, subject to the conditions laid down in the Implementation Agreement, GoR and RWPL may terminate the RWPL Implementation Agreement by giving a written notice of 60 days to the other party.

4. Project Implementation Agreement between RWPL and JSWEL

A Project Implementation Agreement was entered into between RWPL and JSWEL on March 8, 2007 for setting up of the lignite based power plant in Barmer, to appoint JSWEL as a project implementer for availing its services and assistance to monitor, review, assist, advise and supervise the implementation of the power plant for a lumpsum amount specified in the contract.

This Agreement shall remain in force until the completion of the Project or for 48 months from the date on which the BTG Supply Contract comes into effect, whichever is earlier. The term may be extended by mutual consent.

Under this Agreement, the selection of JSWEL's personnel shall not be made without the prior approval of RWPL. JSWEL at all times is required to exercise all proper skill, care, diligence, prudence and foresight to be expected by and from qualified, competent, skilled and experienced engineers. JSWEL shall have full powers to act on behalf of RWPL in the capacity of JSWEL for the proper performance of the services, provided that JSWEL complies with the obligations as set out in this Agreement and obtain the prior approval of RWPL with respect to certain matters as laid down in the agreement. JSWEL is required to act in accordance with all the instructions and directions of RWPL provided that if JSWEL considers that any instruction or direction of RWPL contravenes Good Industry Practice or any statutory requirement then in force and applicable to the power plant or the services, it shall so inform RWPL and make such recommendations to RWPL as it considers appropriate in order to comply with the same. RWPL shall not be bound to follow such recommendations and in the event that it elects not to do so, then JSWEL shall comply with the RWPL's instructions and directions (unless JSWEL is reasonably of the view that compliance therewith would render JSWEL or the RWPL in breach of any statutory requirements then in force and applicable to the power plant or the provisions of the Services). JSWEL shall not be liable to the RWPL under this agreement to the extent that any breach by JSWEL, of its duties under this agreement in the course of carrying out the RWPL's instructions or directions under this clause is attributable to the failure by the RWPL to follow such recommendations. JSWEL has to keep any monitoring engineer appointed by the Lenders in relation to the progress of the works.

At the time of the commercial operation date of each unit of the power plant JSWEL ensure that the performance guarantees as stated in the agreement are met, failing which RWPL may elect to either: request for payment of liquidated damages that are payable for a shortfall in such performance guarantee or require that JSWEL perform any or all corrective actions to and/or repair and/or rebuild the works within a period of six months, as may be necessary and re-test the works, until the works demonstrates achievement of such performance guarantee.

RWPL, under this Agreement is obligated to provide to JSWEL on or near the site, free of cost, for use in connection with the performance of the services, an unfurnished office and residential accommodation for JSWEL's site staff.

If the COD of the project is delayed by more than 90 days from the Scheduled Completion date for reasons attributable to JSWEL, then for a period beyond the initial 90 days, JSWEL shall be liable to pay liquidated damages to RWPL at the rate of Rs. 0.25 million per day for the first 30 days, then Rs. 0.5 million per day for the next 30 days and thereafter Rs. 0.7 million per day for each day of delay. JSWEL's total liability under this Agreement shall not exceed Rs. 2,500 million.

JSWEL is also required to send monthly reports relating to the matters set out in this Agreement and furnish RWPL with all such information which is reasonably available to it relating to the different activities of the power plant to enable it to comply with its disclosure obligations under the insurances which it will take out. JSWEL shall indemnify and hold RWPL harmless against any claims, liabilities, costs, damages and expenses, brought against RWPL by any third party to the extent that it has arisen out of some breach, negligent act or omission by JSWEL.

JSWEL is entitled to suspend the works by giving a written notice of 30 days to RWPL, if it fails to make any payment on due dates as per the payment schedule. Upon such suspension, RWPL cannot enter into any sub contracts in relation to the services. RWPL reserves the right to suspend and reinstate the performance of the whole or part of the agreement. RWPL may also terminate this agreement for: wilful misconduct by JSWEL, breach of its obligations, insolvency of JSWEL or suffers an encumbrance to take possession of its assets, any of the project documents are terminated or the construction of the power plant is stopped and force majeure. JSWEL may terminate this agreement for non payment, breach of RWPL's obligations, insolvency of RWPL or if it suffers an encumbrance to take possession of its assets, construction of the power project is abandoned for a year.

5. Power Purchase Agreement among Jaipur Vidyut Vitran Nigam Limited, Ajmer Vidyut Vitran Nigam Limited and Jodhpur Vidyut Vitran Nigam Limited and RWPL

RWPL entered into the Power Purchase Agreement with Jaipur Vidyut Vitran Nigam Limited, Ajmer Vidyut Vitran Nigam Limited and Jodhpur Vidyut Vitran Nigam Limited (Discoms) on October 26, 2006. Under this PPA, RWPL has agreed to sell the entire electricity generated on a long term basis at the tariff as determined by RERC.

Under the PPA, RWPL has agreed to sell to the Discoms and Discoms have agreed to pay the tariff for all of the available capacity and the scheduled electrical output of the power plant throughout its operating periods. Upon delivery of the electrical output at the interconnect point, each of Jaipur Vidyut Vitran Nigam Limited and Ajmer Vidyut Vitran Nigam and Jodhpur Vidyut Vitran Nigam Limited are deemed to have received electrical output from the power plant in the proportion of 36%, 36% and 28%.

RWPL has approached the RERC for in principle determination of project costs, fuel cost and tariff under Section 62 of the Electricity Act, 2003 and RERC has determined the in-principle costs of generation from the project, the capital cost for the project and transfer price of lignite.

Under the PPA, RWPL is responsible for ensuring that the power plant is commissioned in accordance with schedule appended to the PPA. Also, the entire capacity of the power plant and all the units of the power station are at all times for the exclusive benefit of the Discoms, and RWPL can only sell it to a third party if, there is part of the available capacity which is not dispatched or refused by the Discoms, ordinarily entitled to receive such part and the sale realisation in excess of energy charges are to be equally shared with the Discoms and among the Discoms in the ratio of their allocated capacity. RWPL is also entitled to receive the capacity charges from the Discoms.

RWPL is required to use all reasonable efforts to cause the COD to occur on the date mentioned in the PPA, failing which liquidated damages shall be imposed, which shall not exceed five percent of the estimated capital cost of the power plant. It has agreed to give the Discoms at least 30 days advance written notice of the date on which it intends to synchronise a unit to the grid system. Also, RWPL is responsible for ensuring that the power plant is operated and maintained in accordance with all legal requirements and prudent utility practices including getting all consents required for the operation of the power plant in accordance with this PPA. It has to procure and install the metering systems.

The Discoms have agreed that from the COD of the first unit, they shall pay RWPL a monthly tariff payment in accordance with the monthly bill raised by RWPL. The payments of all the amounts under this PPA shall be secured by a letter of credit for tariff payment and GoR guarantee. If the Discoms are unable to implement the security given, it can offer such portion of the available capacity and electricity earmarked for the defaulting Discom to the other non defaulting Discoms, which can elect to receive the whole or any part of the default electricity either himself or by nominating a third party. If the non defaulting Discoms do not elect to receive the electricity, RWPL can sell 25% of such electricity to a third party without losing claim on the capacity charge.

The PPA is valid for a period up to thirty years from the COD of the last unit of the power plant, unless it is terminated earlier pursuant to the terms of the PPA. Either party may also request, in writing not less than one year before the expiry of the agreement, an extension of the term of the agreement. RWPL's default *interalia*, consists of, failure to commission the last unit within 24 months after its scheduled COD, abandonment of the project for two months, failing to achieve average availability of 50% for 18 consecutive months. The Discom's default consists of, non payment of bill within 90 days of the due date of payment, or impeding the payment security mechanism. The parties have a right to serve a notice of termination on the other party on terms as prescribed under the PPA. The notice of termination is supposed to specify in detail the circumstances giving rise to the notice. Thereafter, the parties are required to consult each other for a period as prescribed. If the defaulting party is unable to cure the default within seven days or such period, as agreed, then the other party may terminate the PPA, by giving a written notice.

6. Joint Venture Agreement between Rajasthan State Mines and Minerals Limited and RWPL

Rajasthan State Mines and Minerals Limited ("RSMML") has, vide letter dated November 13, 2006, been allocated coal blocks in certain lignite mines situated in Jalipa and Kapurdi, District Barmer, Rajasthan.

Pursuant to the Implementation Agreement dated May 29, 2006 ("Implementation Agreement"), RWPL and RSMML agreed to form a mining entity by entering into a joint venture to develop and operate the Mines for the purpose of supply of lignite for the Power Plants. RWPL and RSMML decided to incorporate a JV Company to carry out activities and perform obligations of the Mining Entity under the Implementation Agreement, through this Agreement dated December 27, 2006. RSMML agreed that upon obtaining the mining lease over the Mines, it shall transfer the same to the JV Company with prior approval of the Government of India.

The objective of this agreement is that RSMML, with the prior approval of GoI and GoR, would after obtaining the mining leases for the Mines, transfer such mining leases, surface rights and any other rights for the development, operation and management of the Mines in favour of the JV Company and will contribute its local knowledge, technical knowledge and other expertise in relation to the Mines. RWPL shall provide management support and the entire investment to the JV Company.

Under the terms of this agreement, RWPL undertakes to make all investments in the JV Company and agrees that RSMML shall have no financial liability with respect to the JV Company including for holding 51% Equity Shares in the JV Company. The Authorised Share Capital of the JV Company shall be Rs. 1200 million and the initial paid up capital shall be Rs. 200 million. The remaining promoter contribution would be brought in by way of unsecured subordinate loans or other instruments as per the approval of the lenders to the Project.

The parties agree to pledge their respective shareholding in the JV Company if required by the lenders for financing the project. The board of directors of the JV Company shall comprise of seven directors, out of which, three each would be appointed by RWPL and RSMML and one by the GoR. The Chairman of the Board shall be nominated by the Chief Secretary, GoR Further, all decisions of the board of directors of the JV Company shall be by way of a majority and voting shall require approval of at least one director of RWPL and one director of RSMML. The Managing Director of the JV Company shall be appointed by RWPL and shall manage the day to day management of the JV Company.

Under the terms of this agreement, the shares shall not be sold to any third party, without the prior written consent of RSMML and RWPL. This agreement shall remain valid and binding on the parties until terminated by mutual consent.

7. Water Supply Agreement entered into between the Government of Rajasthan and RWPL

RWPL has entered into a Water Supply Agreement with the Government of Rajasthan on February 19, 2007. The Water Supply Agreement shall be valid for a period of 30 years from the commercial operation of the Project. GoR shall make available water from the Indira Gandhi Nahar Project to RWPL at the rates that may be specified by the GoR in such quantities as set forth in the Water Supply Agreement on a timely basis to meet the schedule for construction and operation of the project as per the RWPL Implementation Agreement and the PPA. Either party may terminate this agreement by mutual consent.

Other than assignment to lenders, the RWPL shall not, except with the prior approval in writing of the GoR, assign any rights or obligations under this agreement.

GoR, if and when requested by RWPL is required to enter into an agreement with its lenders, agents, trustees, etc. to take over this Agreement such undertakings in favour of the lenders as the lenders may reasonably require as a condition to provide finance in connection with the project including the creation of a mortgage or other security interest on the water supply facilities in favour of the lenders, The parties may terminate this agreement by mutual consent and no party shall have any further rights and obligations under the agreement, except for such rights and obligations which have arisen prior to such termination.

8. Fuel Supply Agreement between RWPL and Barmer Lignite Mining Company Limited

RWPL has entered into a Fuel Supply Agreement dated February 16, 2008 ("Supply Agreement") with Barmer Lignite Mining Company Limited ("BLMCL") for supply of lignite for use at the 1,000 MW lignite fired thermal power plant at Barmer in Rajasthan. BLMCL is a joint venture between RWPL and Rajasthan State Mines and Minerals Limited ("RSMML") formed pursuant to a joint venture agreement dated December 27, 2006 to develop and operate the Jalipa and the Kapurdi Mines for the supply of lignite to RWPL's power plant. Pursuant to the Supply Agreement, BLMCL will supply 8.6 million tones of lignite per operating year and the supply of lignite shall commence before December 2008. The Supply Agreement stipulates that the supply of lignite shall commence during the time period between October 2008 and December 2008. The contract price for the supply of lignite shall be the cost of one tonne of specified lignite having gross calorific value of 2960 Kcal/kg and shall be approved by Rajasthan Electricity Regulatory Commission ("RERC"). In terms of the Supply Agreement, RWPL has the right to procure lignite from other sources in the event of BLMCL failing to supply specified lignite at the rate of 18850 tonnes per day continuously for a period of 7 days or in the event of RWPL facing a shortfall in the quantity of lignite for fuelling the power plant for generation up to its rated capacity. RWPL has the obligation to make payment due under the monthly bills raised by BLMCL within 30 days of the receipt of the bills as per the Supply Agreement.

The Supply Agreement is valid for a period of 30 years. The Supply Agreement may be terminated by either party on the other party committing any material breach of the obligations under the Supply Agreement by providing a notice of intention to terminate. Following receipt of such notice, the defaulting party shall seek to remedy the default within a period of 180 days, failing which the non-defaulting party may terminate the Supply Agreement.

9. MoU between RWPL and Rajasthan State Mines and Minerals Limited

A MoU has been entered into between RWPL and Rajasthan State Mines and Minerals Limited ("RSMML") on July 1, 2009 for the supply of limestone fines by RSMML to RWPL. Pursuant to the MoU, RSMML has agreed to sell limestone fines from its Sanu mines at Jaisalmer to RWPL for use in the 1,000 MW lignite fired thermal power plant at Barmer in Rajasthan. RSMML will supply 0.2 million MT (+/- 20%) of limestone fines of the specification specified in the MoU keeping an average quarterly quantity of 50,000 MT (+/- 20%) for the first 5 years of the agreement effective from July 1, 2009 at a price of Rs. 160 per MT of limestone fines.

The MoU is valid for a period of five years up to June 30, 2014. The MoU can be terminated by either party by giving a notice of three months to the other party only for reasons that are beyond the control of the either party.

IV. Ratnagiri Project:

1. MoU between the Government of Maharashtra and JSWEL.

The GOM had taken a policy decision vide Government Resolution dated March 28, 2005 to mitigate power shortages and to promote investment in the field of power generation in the State of Maharashtra to make certain administrative and fiscal support to the developers of the power project as per the terms and conditions set out in its policy for State Support for Private Sector Investment in Power Sector. JSWEL was granted the power project and it has agreed to construct and operate Coal Based Thermal Power Plant of 1,000 MW capacity in Ratnagiri. JSW entered into an MoU with the Government of Maharashtra on June 10, 2005 for setting up of the 1,000 MW power plant.

Under the MoU, the GOM has agreed to provide JSWEL with certain administrative and fiscal support as per its policy for State Support for investment in Power Sector. The GOM has agreed to help JSWEL in obtaining all the clearances through a single window within 45 to 60 days from the day of seeking clearances related to the issue under the purview of the State Government. It also agreed to facilitate strengthening/creating of roads, providing right of way, facilitation of availability of water for the project, extend support to JSWEL for obtaining fuel Linkage for the project as infrastructure support.

The GOM has also agreed to grant 100% exemption from Stamp Duty, Registration Charges and Octroi for machinery and other equipments required for initial setting up of the project only. No tax on sale of power outside the state of Maharashtra will be levied. It will facilitate electricity produced by this project to be purchased through MSEB or reconstituted companies as per and under approval of MERC.

Under this Agreement, JSWEL has agreed to the sale of power to the extent of 50% of commissioned capacity and energy generated at any time within the state of Maharashtra. In order to avail of the benefits and support under this Agreement, JSWEL is required to submit its DPR within six months and attain financial closure within one year and commission the project within five years from the date of declaration of policy decision. The MoU is valid for a period of one year and can be extended by mutual consent.

If JSWEL avails certain benefits under this scheme but fails to implement power generation under the stipulated time, it is responsible for repayment towards costs and benefits obtained by it from the State of Maharashtra.

By a letter dated October 12, 2005 the Government of Maharashtra extended the term of the MoU till June 9, 2007. Further, the Cabinet of the Maharashtra Government on December 26, 2007 granted an extension till September 27, 2011.

2. Project Implementation Agreement between JSWERL and JSWEL.

A Project Implementation Agreement was entered into between JSWERL and JSWEL on March 25, 2007 for setting up of the Thermal Power Plant in Ratnagiri, to appoint JSWEL as a project implementator for availing its services and assistance to monitor, review, assist, advise and implement the setting up of the power plant for a lumpsum amount specified in the contract.

This Agreement shall remain in force until the completion of the Project or within 48 months from the date the BTG Supply Contract comes into effect, whichever comes earlier. The term may be extended by mutual consent.

Under this Agreement, the selection of JSWEL's personnel shall not be made without the prior approval of JSWERL. JSWEL at all times is required to exercise all proper skill, care, diligence, prudence and foresight to be expected by and from qualified, competent, skilled and experienced personnel. JSWEL shall have full powers to act on behalf of JSWERL in the capacity of JSWEL for the proper performance of the services, provided that JSWEL complies with the obligations as set out in this Agreement and obtain the prior approval of JSWERL with respect to certain matters as laid down in the agreement. JSWEL shall not remove or replace the staff without the prior written consent of JSWERL. JSWEL is required to act in accordance with all the instructions and directions of JSWERL provided that if JSWEL considers that any instruction or direction of JSWERL contravenes Good Industry Practice or any statutory requirement then in force and applicable to the power plant or the services, it shall so inform JSWERL and make such recommendations. JSWEL has to also keep any monitoring engineer appointed by the Lenders in relation to the progress of the works.

At the time of the commercial operation date of each unit of the power plant JSWEL ensure that the performance guarantees as stated in the agreement are met, failing which JSWERL may elect to either: request for payment of liquidated damages that are payable for a shortfall in such performance guarantee or require that JSWEL perform any or all corrective actions to and/or repair and/or rebuild the works within a period of six months, as may be necessary and re-test the works, until the works demonstrates achievement of such performance guarantee.

JSWERL, under this Agreement is obligated to provide to JSWEL on or near the site, free of cost, for use in connection with the performance of the services, an unfurnished office and residential accommodation for JSWEL's site staff.

If the COD of the project is delayed by more than 90 days from the Scheduled Completion date for reasons attributable to JSWEL, then for a period beyond the initial 90 days, JSWEL shall be liable to pay liquidated damages to JSWERL at the rate of Rs. 0.25 million per day for the first 30 days, then Rs. 0.5 million per day for the next 30 days and thereafter Rs. 0.7 million per day for each day of delay. JSWEL's total liability under this Agreement shall not exceed 4,500 million.

JSWEL is also required to send monthly reports relating to the matters set out in this Agreement and furnish JSWERL with all such information which is reasonably available to it relating to the different activities of the power plant to enable it to comply with its disclosure obligations under the insurances which it will take out. JSWEL shall indemnify and hold JSWERL harmless against any claims, liabilities, costs, damages and expenses, brought against JSWERL by any third party to the extent that it has arisen out of some breach, negligent act or omission by JSWEL.

JSWEL is entitled to suspend the works by giving a written notice of 30 days to JSWERL, if it fails to make any payment on due dates as per the payment schedule. Upon such suspension, JSWERL cannot enter into any sub contracts in relation to the services. JSWERL reserves the right to suspend and reinstate the performance of the whole or part of the agreement. JSWERL may also inter alia, terminate this agreement for wilful misconduct by JSWEL, breach of its obligations, insolvency of JSWEL or suffers an encumbrance to take possession of its assets, any of the project documents are terminated or the construction of the power plant is stopped, force majeure. JSWEL may terminate this agreement for non payment, breach of JSWERL's obligations, insolvency of JSWERL or if it suffers an encumbrance to take possession of its assets, construction of the power project is abandoned.

3. Steam Coal Sale and Purchase Agreement between China National Minerals Company Limited and JSWERL

A Steam Coal Sale and Purchase Agreement was entered into between China National Minerals Company Limited ("CNMCL") and JSWERL on October 10, 2006. Under this Agreement, JSWERL intends to purchase for use as fuel at its coal-fired power plants two million tones of coal per year plus or minus ten percent at the vessel's option to account for shipping tolerances, which can be increased up to 25% at the mutual option of the parties. JSWERL is required to take the minimum tonnage of 90% failing which CNMCL is entitled to receive compensation equal to the shortfall tonnage. It is the responsibility of JSWERL to arrange for placement of suitable vessels to call upon the landport as per the agreed delivery schedules/laydays. If at any time CNMCL is unable to deliver a shipment of Coal as per the contract, it shall immediately notify JSWERL and with prior intimation of the JSWERL make arrangement to supply coal from any other established source.

The contract is terminated in the event either party commits a breach of its undertaking under the contact so as to prevent completion of the other party's obligation. In the event that conditions of force majeure called by either party so that that party's obligations remain suspended for a period or periods amounting in aggregate to 90 days in any consecutive period of 180 days and at the end of the said period the other party concludes that there is no likelihood of ending such conditions in the near future, the other party may terminate this Agreement, by giving a notice of 60 days.

This Agreement was amended on December 4, 2007, whereby the quantity was increased to 5 mtpa. JSWERL also has been given a right to terminate the agreement after a period of five years by giving a six month notice to CNMCL.

4. Land Lease Agreements between JSWSL and JSWERL

Two land lease agreements were entered into between JSWSL and JSWERL on November 15, 2007 and March 6, 2007 for 306.98 and 57.28 acres respectively. The term of the lease is for a period of 50 years from the date of the agreements, extendable by mutual consent. Within a period of three months after the expiry of the initial period of ten years from the date of commencement of the lease deed, and the satisfactory compliance of the obligations by JSWERL, JSWSL shall offer an option to the JSWERL to purchase the premises on an outright basis.

The JSWERL is required to pay or ensure the payment and discharge of all outgoings such as municipal taxes and other taxes levied by any governmental authority. The lessee is also not entitled to sub-let under-let, assign, mortgage or create any charge on the premises without prior consent of the lessor except mortgage and/or assign its rights and interests under this Lease Deed in favour of the lenders extending loans and financial assistance to the project. It shall also not do or permit to be done any act in the premises, which is contrary to any law, rule or regulation and shall keep the premises insured at all times. The routine maintenance required for the project shall also have to be undertaken by JSWERL.

The agreement is terminated on the expiry of the lease period or by mutual consent In the event at any time after the default by JSWERL in complying with its obligations under this Deed or if any charges payable by it shall be in arrears, JSWSL is entitled to issue a written notice to JSWERL and require it to rectify such default failing which JSWSL shall be entitled to terminate the lease deed by issuing a further notice of three months.

On February 3, 2009, a deed of rectification was entered into between JSWERL and JSWSL, with respect to the lease deed dated November 15, 2007, whereby the area land leased mentioned under the lease deed was rectified to 305.64 acres from 306.98 acres. Further the lease deed dated November 15, 2007 was amended by a deed of amendment dated April 9, 2009, whereby the total area leased was amended from 305.64 acres to 311.23 acres constituting an increase of 5.586 acres, in consideration of an additional interest free deposit paid by JSWERL to JSWSL.

The lease deed dated March 6, 2007 was amended by way of a deed of amendment dated April 9, 2009, whereby the total area leased was amended from 57.28 acres to 59.36 acres constituting an increase of 2.080 acres, in consideration of an additional interest free deposit paid by JSWERL to JSWSL.

JSWSL is the absolute owner of the aforesaid land measuring 370.59 acres in Ratnagiri.

5. Coal Sales Purchase Agreement between JSWERL and PT Sungai Belati Coal

JSWERL has entered into a coal sales purchase agreement ("Coal Purchase Agreement") dated December 26, 2007 with PT Sungai Belati Coal for purchasing coal in respect of its requirement for its 4 x 300 MW power plant. The terms of this agreement are same as that of the coal sales purchase agreement entered into by JSWEL with PT. Sungai Belati Coal save for the following:

- The supplies shall commence from July 2008 onwards with 1,000,000 MT which shall increase to 4,000,000 MT from Second Quarter, 2009 onwards;
- The Company has to purchase 4,000,000 MT of coal in each delivery year; and
- The term of the agreement is 25 years from July 2008.

The Coal Purchase Agreement has been amended by way of an amendment agreement dated July 10, 2009 ("Amendment Agreement") entered into between the JSWERL and the PT Sungai Belati Coal. In terms of the Amendment Agreement, PT Sungai Belati Coal will supply 250,000 MT per annum during 2009-2010, followed by 3,300,000 MT per annum during 2010-2011 and 4,000,000 MT per annum during 2011-2012. Pursuant to the Amendment Agreement, PT Sungai Belati Coal will also provide additional tonnage if JSWERL confirms the demand 24 months in advance. The quantity of such additional tonnage provided shall be 1,000,000 MT per annum during 2013-2014 and 5,500,000 MT per annum during 2014-2015. Pursuant to the Amendment Agreement, the price of the coal will be linked to the weekly RB Index published by globalCOAL based on Richards Bay FOB prices ("Base RB Index") as on the date of the Amendment Agreement. In the event that the actual RB Index published prior to the scheduled shipment date is higher than the Base RB Index, then the price payable will be the base price as mentioned in the Amendment Agreement plus 50% of the difference between the actual RB Index and the Base RB Index.

6. Memorandum of Agreement between JSWERL, JSW Jaigarh Port Limited and JSWIL

JSWERL has entered into an agreement on June 5, 2007 with JSW Jaigarh Port Limited ("JSWJPL") and JSWIL for availing cargo handling services at the port facility at Dhamankhol Bay, Jaigarh for importing raw material like coal for the power plant being developed by it. JSWIL is developing this port through its SPV, JSWJPL. JSWERL has a take or pay obligations wherein it has guaranteed minimum cargo per financial year (Fiscal 2010 – 1 mmtpa, Fiscal 2011 onwards – 4 mmtpa). In the event such minimum cargo is not available, JSWERL is required to pay compensation at the agreed formula. The parties have agreed to a formula in accordance with which JSWERL shall be required to pay for the services. Further, JSWERL shall be entitled to a discount for cargo beyond the minimum assured amount set out above. The term of this agreement is 10 years from the date of signing this agreement subject to the approval of the Maharashtra Maritime Board. The obligations of the parties are subject to force majeure conditions.

7. Power Purchase Agreement between JSWEL and Maharashtra State Electricity Distribution Company Limited

JSWEL has entered into a Power Purchase Agreement dated January 15, 2009 ("PPA") with Maharashtra State Electricity Distribution Company Limited ("MSEDCL") for sale of 300 MW of power to MSEDCL from its power plant at Ratnagiri in Maharashtra. The Company had participated in the competitive bidding process for the sale of power and was selected as the successful bidder. In terms of the PPA, the Company will supply power to MSEDCL for a period of 25 years from the date on which the first unit of the project achieves commercial operation or October 1, 2010, whichever earlier. The Company has to provide MSEDCL, a security deposit in the form of an irrevocable, unconditional performance guarantee of an aggregate amount of Rs. 225 million calculated on the basis of Rs. 0.75 million per each MW of the contracted capacity and the guarantee is initially valid for a period of three months which would be extended from time to time. Under the PPA, the Company has undertaken to complete certain activities within 18 months from the date of execution of the PPA including inter alia, obtaining all consents required for the power plant, execution of the fuel supply agreement, appointment of construction contractors for engineering, procurement and commissioning of the power plant and finalizing the delivery point in consultation with MSEDCL. In the event of non-fulfillment of any of the conditions mentioned, the Company will be liable to furnish additional weekly performance guarantee of Rs. 37,500 per MW of maximum capacity proposed to be sold. MSEDCL has the right to terminate the PPA if the Company fails to complete all the activities envisaged within the stipulated time. The Company would be liable to pay liquidated damaged at the rate of Rs. 1 million per MW if MSEDCL opts to terminate the PPA in such a manner. MSEDCL is also entitled to liquidated damages calculated as per the terms of the PPA, if there is a delay in commissioning the unit by its scheduled commercial operation date. As per the terms of the PPA, there will be a reduction in the amount of the performance guarantee by Rs. 0.25 million per MW of the maximum contracted capacity, if the Company completes all the activities envisaged within the stipulated time period.

MSEDCL will pay to the Company, energy charges and capacity charges calculated as per the terms of the PPA on monthly bills raised by the Company. The tariff also includes an incentive payment at a rate of 40% of the capacity charge, up to a maximum of Rs. 0.25 per kWh, if availability of power in a contract year is in excess of 80%. In the event availability of power in a contract year is below 75%, JSWERL is liable to pay a penalty equal to 20% of the fixed charge on the units under shortfall. MSEDCL is liable to pay to the Company a late payment surcharge at the rate 2% above the applicable SBAR on the delayed payment, in the event of any delay in making the payment as per the monthly bills raised by the Company.

The PPA is valid for 25 years from the commercial operation date of the power plant. The parties may terminate the PPA on the event of any breach of the terms by the other party by giving a notice and a consultation period of 90 days.

8. Power Purchase Agreement between JSWERL and Adani Enterprises Limited

JSWERL has entered into a Power Purchase Agreement dated February 14, 2009 ("PPA") with Adani Enterprises Limited ("AEL") for sale of power from the 1,200 MW thermal power plant at Jaigad, Ratnagiri ("Project"). In terms of the PPA, JSWERL will sell 270 MW of the net capacity ("Contracted Capacity") of the second unit of the Project to AEL and the supply of power shall commence from December 31, 2010 or the commercial operation date of the second unit of the Project, whichever earlier. In the event that JSWERL fails to supply power by December 31, 2010 and a period of three months thereafter, AEL will be entitled to liquidated damages at the rate of two paise per kWh corresponding to 80% of the Contracted Capacity until such time that JSWERL commences the supply of power. As per the PPA, if AEL is unable to off take the power supplied to it, on the commercial operation date of the second unit or thereafter, JSWERL is entitled to sell such whole or part of the Contracted Capacity to any third party and any loss suffered by JSWERL pursuant to such sale to the third party will be compensated by AEL. After the commencement of supply of power pursuant to the PPA, if JSWERL is unable to declare availability of at least 80% of the Contracted Capacity on annual basis, JSWERL will be liable to pay compensation at the rate of 100 paisa per kWh for the shortage in the quantity supplied and if AEL is unable to issue despatch instructions, for or off take of at least 80% of the Contracted Capacity, then AEL will be liable to pay compensation to JSWERL at 97 paise per kWh for the shortfall in quantity of power despatched. Neither JSWERL nor AEL is allowed to assign or transfer the rights and obligations arising out of the PPA except with the written consent of the other party. However, both the parties may assign its rights and transfer its obligations under the PPA to their respective lenders or their representatives or their affiliates, without the consent of other party. As per the PPA, AEL has to furnish a letter of credit in favour of JSWERL as security for an amount equal to the estimated average amount for 21 days of billing on the sale of the contracted capacity, for the first year and letter of credit for an amount equal to the average amount for 21 days of billing of the previous year calculated on an annual basis for the subsequent years. Under the PPA for supplied power, the AEL shall pay to the JSWERL the tariff for the dispatched energy at least at the average rate of Rs 3.00 per kWh at the delivery point. The bills shall be raised on weekly basis.

The PPA is valid for a period of 12 years from the date of commencement of supply of power. The PPA can be terminated by either party on the other party committing any material breach of the obligations under the PPA by providing a notice of intention to terminate or on any party becoming voluntarily or involuntarily the subject of proceedings under bankruptcy or insolvency laws or goes into liquidation or dissolution or on appointment of receiver or liquidator. Following the receipt of such notice, the defaulting party shall seek to remedy the default within a period of 15 days, failing which the non-defaulting party may terminate the PPA with immediate effect.

9. MoU between JSWERL and Maharashtra Industrial Development Corporation

A MoU has been entered into between JSWERL and the Maharashtra Industrial Development Corporation ("MIDC") on March 3, 2008 for arranging water supply to their proposed 1200 MW Power Project in Jaigad for which JSWERL will make payment in a phased manner. As per the terms of the MoU, JSWERL is required to pay MIDC the cost of water supply plus 15% Establishment, Tools and Plant Charges. MIDC is to complete the water supply scheme by May 2009 and may subcontract the work if consented to by JSWERL.

V. Kutehr Project

1. Pre-Implementation Agreement between the Company and Government of Himachal Pradesh

The Company has entered into a Pre-Implementation Agreement dated March 1, 2008 ("PIA") with the Government of Himachal Pradesh ("GoHP") for the investigation and implementation of the Kutehr hydro-electric project in Himachal Pradesh ("Project"). In terms of the PIA, the Company has to pay an upfront premium to GoHP and has to achieve certain milestones as envisaged under the PIA within stipulated time period, including inter alia, preparation of a compendium giving details of hydrological data, preparation of topographical sheets after conducting surveys, preparation of a compendium giving details of geological or geophysical observations and preparation of a report on the power evacuation arrangement as envisaged by the Company within one year from the execution of the PIA and submission of the Detailed Project Report ("DPR") within 24 months from the date of signing the PIA. Pursuant to the PIA, the Company and GoHP will execute an Implementation Agreement ("IA") within 30 months from the date of signing of the PIA. The Company is required to hand over the Project to GoHP 40 years from the scheduled COD of the Project. The GoHP is entitled to cancel the PIA and forfeit the upfront premium paid by the Company in the event the Company fails to achieve any of the milestones as mentioned in the PIA. Under the PIA, the Company will pay royalty to GoHP in the form of free power ranging from 12%- 30% of the deliverable energy for a period of 40 years. The PIA is valid for 36 months from the date of signing. After the submission of the DPR, if GoHP is satisfied that the Project is not techno-economically viable the Company is permitted to withdraw from the Project without any liability or compensation. GoHP has the right to terminate the PIA if GoHP is not satisfied with the progress made by the Company, if there is a change in the equity participation of the Company in the Project, or if it is found that there has been misrepresentation in the information provided by the Company to GoHP as part of the bidding or the selection process.

2. **Agreement between JSWEL and SNC-Lavalin Engineering India Private Limited**

The Company has entered into an agreement dated March 14, 2008 ("Consultancy Agreement") with SNC-Lavalin Engineering India Private Limited ("SNC-Lavalin") for availing consultancy services for Kutehr Hydroelectric Project (260 MW) in Himachal Pradesh ("Project"). In terms of the Consultancy Agreement, SNC-Lavalin will render consultancy services including inter alia, preparation of a Detailed Project Report ("DPR"), review of the existing DPR, carrying out site reconnaissance to assess the Project area, review of the Project's hydrological assessment and power potential, reviewing the previous studies and identify the strengths and weaknesses and preparation of Project assessment/concept report. SNC-Lavalin will render the services under the Consultancy Agreement in the capacity of an independent engineering consultant. The Company has the right to terminate the Consultancy Agreement for any reason by giving a written notice of 30 days to SNC-Lavalin and also on material breach of obligations under the Consultancy Agreement by SNC-Lavalin after providing 30 day's time to initiate remedial measures to cure the default.

D. Contracts in relation to the transmission business of the Company

1. **Transmission Development Agreement between JSWERL and JPTL**

JSWERL has entered into a Transmission Development Agreement dated June 11, 2009 ("TDA") with JPTL for constructing transmission system for the purpose of evacuating the power generated by JSWERL ("Project") from its 1,200 MW coal fired power plant at Ratnagiri in Maharashtra ("Power Plant"). Pursuant to the TDA, JPTL will construct two transmission lines, namely Jaigad-New Koyna 400 KV double circuit (57 kms) and Jaigad-Karad 400 KV double circuit (112 kms) for the purpose of evacuating power. The transmission system will be established and maintained by JPTL on Build, Own and Operate ("BOO") basis. The scope of JPTL's work under the TDA also includes financing of the project including the payment of import duties, other taxes and insurances by way of mobilising necessary equity and debt capital. In terms of the TDA, there are certain conditions precedent to be fulfilled by JPTL which includes, initiating actions for obtaining the consents required for the commencement of the execution of the project, obtaining the license to operate the transmission system, achieving financial closure within two months from the date of execution of the TDA and making applications for the approval of the initial financing structure and initial transmission project cost to any competent authority to facilitate commencement of the implementation of the transmission project. The conditions precedent to be fulfilled by JSWERL include, obtaining requisite approvals for the Power Plant, achieving financial closure in relation to the establishment of the Power Plant, entering into Bulk Power Transmission Agreement (BPTA) within 6 months of entering into this TDA, placing orders for the equipments for the Power Plant and commencing civil work for the Power Plant. As per the TDA, the first phase of the Project will be ready for commercial operation on October 1, 2009 and the second phase of the Project by June 1, 2010. In the event of JPTL failing to commission the required phase within the stipulated time due to reasons solely attributable to it, JPTL will be liable to pay liquidated damages to JSWERL at the rate of 0.50% of the cost for the delayed work of the Project for every week of delay or part thereof. The parties have the right to terminate the TDA on the other party committing any material breach of the obligations under the TDA or under BPTA or termination of shareholders agreement by providing a notice of intention to terminate the TDA. Following the receipt of such notice, the parties shall seek to remedy the default within a period of three months, failing which the non-defaulting party may terminate the TDA within 15 days after expiry of the notice of termination. JSWERL shall have right to assign the rights and benefits under this TDA, however the TDA can be assigned by TDA only with mutual consent.

2. **Bulk Power Transmission Agreement between JSWERL and JPTL**

JSWERL has entered into a Bulk Power Transmission Agreement dated June 11, 2009 ("BPTA") with JPTL for the use of the transmission capacity allotted to JPTL to evacuate power from the 1,200 MW coal fired power plant at Ratnagiri in Maharashtra ("Power Plant"). JSWERL and JPTL have entered into a Transmission Development Agreement on June 11, 2009 ("TDA"), pursuant to which JPTL will establish and maintain transmission lines for the transmitting power. The Maharashtra Electricity Regulatory Commission ("MERC") on February 8, 2009 has issued a transmission license to JPTL for establishing transmission lines as envisaged in the TDA. In terms of the BPTA, JPTL has the responsibility to procure and maintain all the consents required to perform the terms of the BPTA and to maintain and repair the transmission system as required. JSWERL will pay transmission tariff in accordance with the tariff orders issued by MERC from time to time and the payments should be made in the 14th day of every month, failing which JSWERL will be liable to pay a late payment surcharge at the rate of 1.25% per month. As per the BPTA, JSWERL will furnish a security deposit in the form of bank guarantee equivalent to three month's average billing of the transmission system usage. The bank guarantee shall remain valid for a period of one year with a claim period of 3 months and will be renewed from time to time.

Under the BPTA, the State Electricity Board or a government company notified as the State Transmission Utility ("STU") is responsible for the recovery of the transmission charges and STU shall disburse the payments to JPTL. JSWERL and JPTL have agreed to enter into a Connection Agreement for establishing interconnection between Power Plant and the transmission system to be established by JPTL and for access and use of intra-state transmission system pursuant to the State Grid Code.

The BPTA is valid for a period of 25 years from the date of execution or for the period of the transmission license. The BPTA can be terminated by either party on the other party committing any material breach of the obligations under the BPTA by providing a notice of intention to terminate. Following the notice, the parties shall seek to remedy the default within a period of two months, failing which the non-defaulting party may terminate the BPTA within 15 days after expiry of the notice of termination.

E. Contracts in relation to the New Projects of the Company

1. MoU between the Government of Jharkhand and JSWEL.

An MoU was entered into on September 11, 2006 between the Government of Jharkhand and JSWEL for the establishment of a 2000 MW power plant in the State of Jharkhand.

Under this MoU the GoJ has agreed to extend all reasonable assistance to JSWEL to set up, construct, commission and operate the power project in Jharkhand in accordance with the extant laws/rules/policies. JSWEL has agreed to carry out necessary pre-feasibility studies within six months from the date of this agreement to select a suitable site for the power project. The project shall also be set up in conformity with various constitutional and statutory provisions and policies of the GoI and GoJ. All state level clearances will be provided to JSWEL in accordance with the extant laws by the GoJ or by the appropriate authorities as empowered by the GoJ. GoJ shall assist with the allocation of suitable coal blocks in favour of JSWEL for the project from the GoI. It shall also assist in acquiring land for the project and permit the drawal of the required quantity of water required for the project from nearby rivers, dams or reservoirs at applicable rates. GoJ shall also facilitate connecting the proposed power project to the PGCIL Grid at a convenient point for evacuation of power from the project.

Under the MoU, GoJ shall have the first claim on purchase up to 25% of power delivered to the system by the proposed power plant under terms of the PPA to be mutually agreed on. JSWEL shall have the right to sell the remaining power outside the state of Jharkhand. GoJ has also agreed to provide infrastructure facilities to JSWEL.

JSWEL shall also have to conduct a rapid EIA and prepare a detailed EIA and an Environment Management Plan for the project. GoJ agrees to extend reasonable assistance in providing data/information available with it during the time when EIA is conducted and EMP is prepared. GoJ also agrees to forward the proposal of JSWEL in obtaining NOC through the State PCB and forest department and to forward proposal of JSWEL for obtaining necessary clearance from the GoI and offer reasonable help required by JSWEL for obtaining such clearance. JSWEL shall be responsible for the R&R of the project affiliated families.

This MoU was initially valid for 12 months, during which time the parties to the MoU agreed to convert the MoU into a definitive agreement.

By a MoU dated October 22, 2007 the parties agreed to extend the period by another 24 months effective September 11, 2007. On June 25, 2009, JSWEL has made an application to the GoJ for extension of the period of the MoU for an additional year from September 11, 2009. Further to this MoU, JSWEL has also agreed that an annual contribution at a rate of six paise per unit of energy sent out from the thermal power plant (except that sold in the State of Jharkhand) will be made by it towards the Environment Management Fund set up by the state government.

2. Joint Venture Agreement for mining of Utkal A- Gopalprasad West (West) Project.

JSW Steel Limited and JSW Energy ("JSW"), Jindal Stainless Limited and Shyam DRI Power Limited, Kolkata ("SDRIPL") had applied for the allocation of coal blocks in the Mahanadi Coalfields Limited ("MCL") area. Their request was considered by the Government and it was decided to allocate the combined block of Utkal A- Gopalprasad West (West) ("UAGWW") jointly to MCL, JSW, JSL and SDRIPL for working through a JVC. The Ministry of Coal, GoI decided that a JV be formed which would carry out the mining activity jointly at UAGWW as a single mine for deployment of optimum technology and conservation of coal. The JVC was required to be formed between MCL on one hand and JSW, JSL, SDRIPL on the other. An understanding has been reached to by the parties by a MoU dated October 13, 2007 for the development, operation and maintenance of the mine jointly. Pursuant to the MoU, the parties entered into this JV Agreement dated November 12, 2007 to lay down the duties of the JV and the rights and liabilities of the parties to the Agreement. The JVC has been promoted with an aim of taking on lease, establish, develop/build, own, operate and maintain Utkal mine and distribute the produced coal to the JV parties in specified proportions as per this agreement.

The parties have entered into a JV Agreement subject to approval with or without modification by their respective boards, changes which the Ministry of Coal, GoI may direct, legal review. The parties also agreed that a suitable deed of supplement will be executed to give effect to such changes, if any and making it an integral part of the JVA.

The equity holding of MCL, JSW, JSL and SDRIPL in the JVC to be formed shall be 60%, 22% and 9% and 9% respectively. JSWEL's share in this is 11%. The permission for the mining lease is required to be applied by the JVC. It has to purchase the geological report, prepare the mining plan and project report and carry out other necessary statutory formalities for starting the mine. The JVC is required to submit a bank guarantee equal to one year's royalty amount to the Ministry of Coal based on mine capacity. The progress of the mine is to be monitored annually. The main objectives of the JVC are to:

- Acquire land required for establishing of the mine and other allied infrastructure facilities,

- Develop and distribute coal amongst the parties.

- Prepare the project report, EMP/EIA reports and any other studies through CMPDIL or other agencies to obtain Government Sanction.

- Arrange for necessary coal evacuation arrangement up to loading/dispatch point.

- Enter into agreement with the state government, the state agencies and others for land, water, power, other supplies and services.

The authorized share capital of the company at the time of incorporation is Rs. 5,000,000 divided into 500,000 equity shares of Rs. 10 each. The initial paid up capital of this company is Rs. 1,000,000 only divided into 100,000 equity shares of Rs. 10 each. All parties are required to subscribe to subsequent rights issues in their respective proportions. None of the parties to the Agreement can sell out or otherwise transfer any part of their holding without prior written approval of the other parties.

3. Development Agreement for an Integrated Iron and Steel Plant in State of West Bengal

An agreement was entered into between the Government of West Bengal, West Bengal Industrial Development Corporation Limited ("WBIDC"), West Bengal Mineral Development and Trading Corporation Limited ("WBMDTCL") and JSWSL on January 11, 2007. JSWSL proposes to set up a 10 million tones per year capacity integrated iron and steel plant with an associated captive power plant and related facilities in the State of West Bengal. The project is proposed to be implemented by a special purpose joint venture company between JSW Group, WBIDC and WBMDTC and the GOWB has agreed under this agreement to provide necessary governmental assistance and cooperation for implementation of the project.

The parties have agreed that the shareholding of the joint venture company would be in the ratio of 89% for the JSW Group to 11% for WBDIC and WBMTDTC or its nominees. The initial authorised and paid up capital of the company shall be Rs. 1,000 million.

WBMDTC has received consent of the GoI for exploration and mining of Kutli and Ichhapur coal blocks and has agreed to enter into an agreement with JSW Group, wherein it shall be contracted to execute the exploration and mining of coal from the coal blocks. JSWSL has agreed to arrange the requisite iron ore linkages for the project. GOWB has also agreed to assist and facilitate in the availability of land and water for the project. The joint venture company is required to commence and complete the Rapid Environmental Impact Assessment as soon as practicable and prepare an Environment Management Plan for the project, after which WBIDC shall liaise with WBPCB, MoEF and GoI for obtaining necessary environmental and forest clearances. GOWB has also agreed to extend reasonable assistance to secure, obtain, renew and maintain all statutory and other approvals from various Governmental Authorities as may be required and assist and facilitate rail and national/state highway linkages for the project. JSWSL has agreed that it is responsible for ensuring financial assistance to the project. The joint venture agreement has to provide at its own cost a rehabilitation and resettlement package for the land losers whose land is to be acquired for the project.

The agreement is terminated when the parties mutually agree to do so or when they agree that the project is technically or commercially unviable. Also, when the shareholders of any party decide to wind up or the party is ordered to be wound up, the agreement stands terminated.

4. MoU between JSWEL and Government of Chhattisgarh

A MoU has been entered into between JSWEL, the Government of Chhattisgarh ("GoC") and the Chhattisgarh State Electricity Board ("CSEB") on February 1, 2008 for the setting up of 1100 MW Thermal Power Project with an integrated coal mine in the State of Chhattisgarh with proposed investment of approximately Rs. 44,000 million ("Project"). Pursuant to the MoU, JSWEL will set up the Project after conducting feasibility studies and will submit a feasibility report to GoC within six months from the date of signing the MoU. JSWEL will be allowed to wheel power to their consumers or a licensee as per the provisions of Electricity Act, 2003 either through board, PGCIL or other Grid Lines or its own dedicated lines as may be required. For this purpose, JSWEL will enter into a separate wheeling agreement with the competent licensee and will be liable to pay power wheeling charges, grid discipline charges and other charges to the competent licensee. Within 60 days from the date of signing of the MoU, JSWEL has to submit a project implementation schedule. In terms of the MoU, JSWEL will provide to GoC or the nominated agency, on an annualised basis, 5% of the net power generated by the Project at the energy charges, as determined by the appropriate Electricity Regulatory Commission ("ERC"). In the event JSWEL is allocated captive coal block also in the State of Chhattisgarh for supply of coal to the Project, JSWEL will supply to GoC on an annualised basis, 7.5% of the net power generated by the Project at the energy charges.

GoC will facilitate the project development activities by extending co-operation and make efforts to facilitate all incentives to JSWEL that are available to industrial projects in the State of Chhattisgarh as per the industrial policy. As per the MoU, GoC, CSEB or their assignees will have the first right to purchase power up to 30% of the aggregate capacity of the generating units of the Project for a period of 20 years at the rate approved by the appropriate ERC. However, GoC or CSEB do not guarantee purchase of power from JSWEL.

The term of this MoU was for a period of one year. However, on May 26, 2009, the Government of Chhattisgarh extended the validity of the MoU up to January 31, 2010. JSWEL, GoC and CSEB will replace this MoU with an implementation agreement for the Project during the validity of the MoU.

5. MoUs between JSWEL and Government of Gujarat

Two MoUs have been entered into between JSWEL and the Government of Gujarat ("GoG") on January 12, 2007 and January 12, 2009 to facilitate the establishment of 800 MW and 1600 MW projects respectively at Junagadh in Gujarat ("Projects"). Pursunt to the MoUs, GoG agreed to assist JSWEL in obtaining necessary permissions and/or registrations from the concerned departments of the State and Central Government and to help JSWEL in availing incentives under various schemes announced by the Central and State Government. In terms of the MoU, all matters related to the

Projects will be governed by the Power Generation Policy of Gujarat. For further details, see "Our Business – New Projects" on page 103 of this Red Herring Prospectus.

Further, the Company has entered into a MoU with the Government of Madhya Pradesh to set up a power plant in the State of Madhya Pradesh.

REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only 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 ("Electricity Supply Act"). The Electricity Act introduced a licensing system for the electricity industry and the Electricity Supply Act was responsible for introducing greater state involvement in the industry, facilitating regional co-ordination.

The Electricity 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 Electricity Supply Act to open generation to private sector and establishment of 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.

On the other hand, 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 ("EA 2003") 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 EA 2003 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, EA 2003 provides for a greater flexibility and grants the respective electricity regulatory commissions greater freedom in determining tariffs, without being constrained by rate-of-return regulations. The 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, EA 2003 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 EA 2003. 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 EA 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 Act. 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 EA 2003, 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 the 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. EA 2003 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, 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.

EA 2003 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. EA 2003 prohibits CTU and STU from engaging in the business of generation or trading in electricity.

Under the EA 2003, the Government of India was empowered to establish the National Load Despatch Centre ("NLDC") and Regional Load Despatch Centres ("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 EA 2003.

The 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 EA 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).

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 license to engage in electricity trading is required to be obtained from the relevant electricity regulatory commission. The eligibility criteria include norms relating to capital adequacy and technical parameters. However, the National and Regional Load Despatch 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 EA 2003 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 EA 2003, 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. EA 2003 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

EA 2003 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 Electricity 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. EA 2003 has done away with this provision and the two-part tariff mechanism.

Under EA 2003, 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;

- 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, EA 2003 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 (PPAs) 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 (cost-plus 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.

The EA 2003 empowers the state regulatory commissions to specify tariff regulations from time to time as applicable for the respective states. The State Governments are also empowered under EA 2003 to grant subsidy on the tariff specified by the respective state regulatory commissions subject to certain conditions.

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 EA 2003, 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 EA 2003, 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 up to 7 years but exceeding 1 year.

For long-term procurement under tariff Bidding Guidelines, a two-stage process featuring separate Request for Qualification (RFQ) and Request for Proposal (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 1000 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 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 Rs. 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 EA 2003 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 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 EA 2003 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 Electricity Supply Act and EA 2003 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 EA 2003 has now removed. The technical clearance required for power projects under the provisions of the Electricity Supply Act has been eliminated, except in cases of hydro projects above a certain capital investment.

Electricity Regulatory Commissions

EA 2003 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 EA 2003. 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 EA 2003, 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 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 EA 2003 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 EA 2003 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 Foreign Direct Investment. Foreign Direct Investment 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 foreign direct investment.

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 by early 2008. Approved by Central Electricity Regulatory Commission on 31st August, 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.

Environmental Regulations

The Company has to comply with the provisions of the Environmental Protection Act, 1986, relevant Forest Conservation Acts, Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous Waste (Management and Handling) Rules, 1989.

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 green house 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.

HISTORY AND CERTAIN CORPORATE MATTERS

The Company was originally incorporated as Jindal Tractebel Power Company Limited on March 10, 1994 as a joint venture between JSW Steel Limited and Tractebel, S.A., Belgium. The name of the Company was changed to Jindal Thermal Power Company Limited on January 17, 2002 after Tractebel, S.A., Belgium sold their holding to JSW group companies and financial institutions. The name of the Company was further changed to JSW Energy Limited on December 7, 2005 and a fresh certificate of incorporation upon change of name was issued by the Registrar of Companies, Maharashtra on December 7, 2005.

The aforesaid changes were made in the name to reflect the changing nature of the business or the constitution of the company and/or to clearly reflect the nature of the business.

Our Main Objects

Our main objects as contained in our Memorandum of Association are:

1. To build, own and/or operate power plants either alone or in joint venture, especially in India.

2. To generate, develop and accumulate electrical power at any place or places in India and to transmit, distribute and supply such power.

3. To carry on the business of an electric power light and supply Company in all its branches and in particular to construct, lay down, establish, fix and carry out all necessary power stations, cables, wires, lines, accumulators, lamps and works, and to generate, accumulate, distribute and supply electricity, and to light cities, towns, streets, docks, markets, theatres, buildings and places both public and private.

4. To enter into joint venture agreement, either directly or indirectly, with Tractebel, S.A., a company incorporated under the law of Belgium, having its registered office at 1 Place Durone, B-1000, Brussels (Belgium) for the purpose of carrying out the above objects.

Key Milestones

Sr. No.	Date	Details
1.	March 10, 1994	The Company was originally incorporated as Jindal Tractebel Power Company Limited (50:50 JV between JSW Steel Limited and Tractebel, S.A., Belgium)
2.	January 18, 2000	Commercial operation of Unit-II of 2x130 MW Power Plant of the Company at Toranagullu
3.	August 05, 2000	Commercial operation of Unit-I of 2x130 MW Power Plant of the Company at Toranagullu
4.	January 17, 2002	Name changed to Jindal Thermal Power Company Limited, after Tractebel, S.A., Belgium sold their holding to JSW group companies and financial institutions
5.	February 10, 2006	Acquisition of Raj WestPower Limited under the Share Purchase Agreement entered between the Company and the erstwhile individual Shareholders/ Promoters of RWPL.
6.	May 5, 2006	Incorporation of JSW Energy (Vijayanagar) Limited as a Subsidiary.
7.	June 13, 2006	Incorporation of JSW Energy (Ratnagiri) Limited as a Subsidiary.
8.	July 8, 2006	Incorporation of JSW Power Trading Company Limited as a Subsidiary.
9.	January 19, 2007	Formation of the Joint Venture Company, Barmer Lignite Mining Company Limited by virtue of Joint Venture Agreement between Raj WestPower Limited and Rajasthan State Mines and Minerals Limited
10.	March 28, 2007	Acquisition of PT Param Utama Jaya
11.	July 28, 2007	Award of 260MW Kuther Hydro Electric Project
12.	November 1, 2007	Approval of the scheme of arrangement for the demerger of the investment division of the Company and vesting of the same with JSW Energy Investments Private Limited
13.	November 11, 2007	Joint Venture Agreement with Mahanadi Coalfields Limited, JSW Steel Limited, Jindal Stainless Limited & Shyam DRI Power Limited for mining of coal from Utkal – A coal block in Orissa
14.	January 10, 2008	Letter of Support by Government of Maharashtra for setting up of 3200MW Power Plant at Jaigad, Ratnagiri
15.	March 17, 2008	Recognisation of JSW Energy Centre of Excellence at Toranagallu by Central Electricity

Sr. No.	Date	Details
		Authority
16.	April 23, 2008	Incorporation of Jaigad PowerTransco Limited as Subsidiary
17.	May 7, 2008	Joint Venture Agreement with Toshiba Corporation, Japan for setting up of Turbine & Generator manufacturing facility in India
18.	August 5, 2008	Joint Venture Agreement with Maharashtra State Electricity Transmission Company Limited for setting up of Transmission Lines in the State of Maharashtra
19.	October 10, 2008	Approval of the scheme of Amalgamation of JSW PowerTransco Limited and JSW Energy (Vijayanagar) Limited with the Company
20.	April 16, 2009	Unit – I of 2X300MW Power Plant of the Company at Toranagallu commissioned
21.	June 23, 2009	MOU between M.S. Ramaiah Institute of Technology, Bangalore and JSW Energy Centre of Excellence for imparting one-year full-time Post Graduate Diploma in Power Plant Engineering for the academic year 2009-2010.
22.	July 1, 2009	Commercial operation of Unit – I of 2X300MW Power Plant of the Company at Toranagullu
23.	August 17, 2009	Synchronisation of first unit of 8x135 MW Power Plant of RWPL
24.	August 31, 2009	Incorporation of JSW Energy (Raigarh) Limited as Subsidiary
25.	September 1, 2009	Commercial opertaion of Unit – II of 2X300MW Power Plant of the Company at Toranagullu

Awards/ certifications received by the Company

The Company has received the following awards/ certifications:

1. ISO-9001 and 14001 certifications awarded by BVQI for Quality Management, Environment Management Systems.

2. OHSAS 18001 certification awarded by BVQI for Occupational Health and Safety Management Systems Requirements Standard.

3. CII Leadership And Excellence Award for Safety, Health and Environment for best safety practices in 2003

4. Greentech Safety Award in 2003 for outstanding achievement in the field of safety.

5. Safety Excellence Award from GRISD for 2005 and 2006 for best safety systems and performance.

6. Karnataka State Safety Excellence Award in 2007 for best safety systems from Directorate of Factories and Boilers, Karnataka.

7. Best Performing and Safe Boiler in Power Plant by Directorate of Factories and Boilers, Govt of Karnataka and GRISD in the year 2007.

8. Bronze Shields for Meritorious Performance in Power Sector during 2006-07 and 2007-08 by Ministry of Power, Government of India to the 260 MW Thermal Power Station at Toranagallu, Karnataka.

9. First prize in National level for "Excellence in Thermal Power Generation" constituted by Indian Electrical and Electronic Manufacturer Association (IEEMA) in the year 2009.

Amendments to the Memorandum of Association

Since our incorporation, the following changes have been made to our Memorandum of Association:

Date	Particulars
April 1, 1996	Increase in Authorised Share Capital of the Company from Rs. 10,000,000 (Rupees Ten Million) to Rs. 4,000,000,000 (Rupees Four Thousand Million)
January 17, 2002	Name changed to Jindal Thermal Power Company Limited from Jindal Tractebel Power Company Limited
December 7, 2005	Name changed to JSW Energy Limited from Jindal Thermal Power Company Limited.

Date	Particulars
December 29, 2006	Amendment in the Object Incidental or Ancillary to the Attainment of the Main Objects Clause of the Memorandum of Association of the Company by inserting clauses 48 to 51 relating to the business of mining and other related field.
December 21, 2007	Increase in the Authorised Share Capital of the Company from Rs. 4,000,000,000 (Rupees Four Thousand Million) to Rs. 10,000,000,000 (Rupees Ten Thousand Million)
October 10, 2008	Increase in the Authorised Share Capital of the Company from Rs. 10,000,000,000 (Rupees Ten Thousand Million) to Rs. 15,010,000,000 (Rs. Fifteen Thousand and Ten Million)
July 27, 2009	Increase in the Authorised Share Capital of the Company from Rs. 15,010,000,000 (Rs. Fifteen Thousand and Ten Million) to Rs. 50,000,000,000 (Rs. Fifty Thousand Million)

Promoters and Subsidiaries

For details regarding our Promoters, please see "Our Promoters and Group Companies" on page 165 of the Red Herring Prospectus. We have six subsidiaries. For details regarding our subsidiary companies, please see "Our Subsidiaries" on page 148 of the Red Herring Prospectus.

Other Agreements

All our material Agreements and Joint Venture Agreements are outlined in "Description of Certain Key Contracts" on page 109 of this Red Herring Prospectus.

Our Joint Ventures

1. Barmer Lignite Mining Company Limited

Barmer Lignite Mining Company Limited ("BLMCL") was incorporated on January 19, 2007, under the Companies Act. This company is a joint venture between Rajasthan State Mines and Minerals Limited and RWPL with equity participation in ratio of 51:49. This company was incorporated for engaging in mining activities in the Kapurdi and Jalipa lignite mining blocks in Barmer District, Rajasthan. The lignite to be extracted from the mines would be entirely supplied to the 8x135 MW lignite based thermal power plant of RWPL in Bhadresh, Barmer. The registered office of this company is situated at Khanij Bhawan, Udyog Bhawan, C-Scheme, Tilak Marg, Jaipur 302 005.

Board of directors

The board of directors of BLMCL consists of:

Mr. Sunil Arora	Chairman
Dr. Govind Sharma	Director
Mr. Shreemat Pandey	Director
Mr. Sanjay Malhotra	Director
Mr. Tuhin Kumar Mukherjee	Managing Director
Mr. Upinder Singh	Director
Mr. S.S.Rao	Director

Shareholding pattern

The shareholding pattern of BLMCL as on November 20, 2009 is as follows:

Name of the shareholders	No. of Shares	Percentage
Rajasthan State Mines & Minerals Limited	1,01,99,997	51
RWPL	97,99,998	49
Mr. Lakhu Singh Rathore	1	-
Mr. Harsh Vardhan	1	-
Mr. Arun Singh	1	-
Mr. S.S. Rao	1	-
Mr. Pramod Menon	1	-
Total	**2,00,00,000**	**100**

Financial Performance

The summary audited financial statements for the last three Fiscals are as follows:

(Rs. in million, except share data)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity Capital	200.00	200.00	0.50
Reserves	Nil	Nil	Nil
Preliminary / Share Issue Expenses	(2.13)	(2.13)	(2.13)
Sales	Nil	Nil	Nil
Profit/(Loss) after Tax	Nil	Nil	Nil
Earnings Per Share (EPS) (Rs.)	Nil	Nil	Nil
Net Asset Value (NAV) per share (Rs.)	9.89	9.89	(32.60)

2. Toshiba JSW Turbine and Generator Private Limited

Toshiba JSW Turbine and Generator Private Limited ("Toshiba JSW") was incorporated on September 2, 2008, under the Companies Act. This company is a joint venture between Toshiba Corporation, JSWSL and the Company. This company was incorporated to undertake, designing, engineering, manufacturing, assembly and sale of STG products, supervision of installation and commissioning of steam turbines and generators and sale of parts and components for the STG products. The registered office of this company is at TVH Beliciaa Towers, Phase II, 8th Floor, 1st Main Road, MRC Nagar, R. A. Puram, Chennai - 600 028.

Board of directors

The board of directors of Toshiba JSW consists of:

Mr. Itaru Ishibashi	Managing Director
Mr. Takayuki Torikai	Director
Mr. Masachika Odawara	Director
Mr. Sattiraju Seshagiri Rao	Director
Mr. Atsuhiko Izumi	Director
Mr. Motoharu Goto	Director
Mr. Yuzo Kato	Director
Mr. Pramod Menon	Director

Shareholding pattern

The shareholding pattern of Toshiba JSW as on November 20, 2009 is as follows:

Name of the shareholders	No. of Shares	Percentage
Toshiba Corporation	165,000,000	78.95
JSWEL	44,000,000	21.05
Total	**209,000,000**	**100**

Financial Performance

The summary audited financial statements for the last Fiscal are as follows:

(Rs. in million, except share data)

Particulars	Fiscal 2009
Equity Capital	1,045.00
Reserves	(16.38)
Preliminary / Share Issue Expenses	-
Sales	-
Profit/(Loss) after Tax	(16.38)
Earnings Per Share (EPS) (Rs.)	(0.34)
Net Asset Value (NAV) per share (Rs.)	9.84

3. MJSJ Coal Limited

MJSJ Coal Limited ("MJSJ") was incorporated on August 13, 2008, under the Companies Act. This company is a joint venture between Mahanadi Coalfields Limited, JSWSL, Jindal Stainless Limited, Shyam DRI Power Limited and the Company. This company was incorporated for developing mines and for distribution and evacuation of coal. The registered office of MJSJ Coal Limited is situated at House No.42 (1st Floor), Anand Nagar, Hakimpara, Angul 759 153, Orissa.

Board of directors

The board of directors of MJSJ consists of:

Mr. Balavadra Mohapatra	Chairman
Mr. Arun Kumar Tiwari	Director
Mr. Sita Ram Singh	Director
Mr. Parmeshwar Lal Vyas	Director
Mr. Shashi Kumar	Director
Mr. B.N. Jha	Director
Mr. Sandeep Gokhale	Director
Mr. Ramesh B Mathur	Director
Mr. Rajdeep Mohanty	Director

Shareholding pattern

The shareholding pattern of MJSJ as on November 20, 2009 is as follows:

Name of the shareholders	No. of Shares	Percentage
Mahanadi Coalfield Limited	60,000	60
JSWSL	11,000	11
JSWEL	11,000	11
Shyam DRI Power Limited	9,000	9
Jindal Stainless Limited	9,000	9
Total	**100,000**	**100**

Financial Performance

The summary audited financial statements for the last Fiscal are as follows:

(Rs. in million, except share data)

Particulars	Fiscal 2009
Equity Capital	1.00
Reserves	Nil
Preliminary / Share Issue Expenses	(0.12)
Sales	Nil
Profit/(Loss) after Tax	Nil
Earnings Per Share (EPS) (Rs.)	Nil
Net Asset Value (NAV) per share (Rs.)	8.81

Scheme of Demerger

The High Court of Bombay by its order dated November 1, 2007 approved the scheme of arrangement between JSWEIPL and JSWEL for demerger of the Investment Division of the Company into JSWEIPL under the provisions of sections 391 to 394 and other relevant provisions of the Companies Act. This scheme became effective on December 3, 2007. JSWEIPL was the wholly owned subsidiary of our Company. The entire subscribed and paid up capital of JSWEIPL was held by JSWEL. Pursuant to the demerger, the investment division of our Company was demerged into JSWEIPL and all the rights, title, interest and liabilities pertaining to the Investment Division were transferred to JSWEIPL. All investments held by the Company in JSWEIPL stood cancelled. Pursuant to the said scheme of arrangement approved by the High Court of Bombay, JSWEIPL allotted shares to the shareholders of the Company in the approved ratio of one equity share of the face value of

Rs. 10 each of JSWEIPL for every 170 Equity Shares of the face values of Rs. 10 each fully paid up held in the Company. See “Material Contracts and Documents for Inspection” on page 455 of this Red Herring Prospectus.

Scheme of Amalgamation

Towards building robust corporate structure for future growth and cost effective structure, JSWEVL and JSWPTL were merged with JSWEL with effect from April 1, 2008. The High Court of Bombay by its order dated October 10, 2008 approved the scheme of amalgamation of JSWPTL and JSWEVL into the Company under the provisions of sections 391 to 394 and other relevant provisions of the Companies Act. This scheme became effective on December 11, 2008. JSWPTL was a wholly owned subsidiary of the Company and JSWEVL was a subsidiary of the Company wherein the Company held 70.18% of its equity capital. Pursuant to the amalgamation, the entire rights, title, interest and liabilities pertaining to JSWEVL and JSWPTL were transferred to the Company and the entire equity share capital of JSWPTL was cancelled. Pursuant to the said scheme of amalgamation, the Company allotted shares to the eligible shareholders of JSWEVL in the approved ratio of 258 Equity Shares of Rs. 10 each of the Company for every 1,000 equity shares of Rs. 10 each held in JSWEVL. The valuation of equity shares of JSWEVL has been done under the income approach applying the discounted cash flow method. Pursuant to the amalgamation the authorised share capital of the Company increased by Rs. 5,010 million divided into 501 million equity shares of Rs. 10 each. See “Material Contracts and Documents for Inspection” on page 455 of this Red Herring Prospectus.

OUR SUBSIDIARIES

We have six Subsidiaries. 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. JSW Energy (Ratnagiri) Limited

JSW Energy (Ratnagiri) Limited was incorporated on June 13, 2006, under the Companies Act. This company was incorporated for setting up a 1,200 MW power plant at Jaigad, Ratnagiri District, Maharashtra, based on imported coal. The registered office of JSWERL is at Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai 400 026.

Board of directors

The board of directors of JSWERL consists of:

Mr. S.S. Rao	Chairman
Mr. K. J. Varkey	Director (Ratnagiri Project)
Mr. Pramod Menon	Director
Mr. Chandan Bhattacharya	Independent Director

Shareholding pattern

The shareholding pattern of JSWERL as on November 20, 2009 is as follows:

Name of the shareholders	No. of Shares	Percentage
JSW Energy Limited	706,070,000	100.00
Mr. Vinod Dhanuka*	100	0.00
JSW Power Trading Company Limited*	100	0.00
Raj WestPower Limited*	100	0.00
Mr. Raj Kumar Sharma*	100	0.00
Mr. S.S. Rao*	100	0.00
Mr. Pramod Menon*	100	0.00
Total	**706,070,600**	**100.00**

**Shares held as nominee of JSWEL*

Financial Performance

The summary audited financial statements for the last three Fiscals are as follows:

(Rs. in million, except share data)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity Capital	5885.00	4550.00	500.00
Reserves	Nil	Nil	Nil
Preliminary / Share Issue Expenses	25.87	25.87	25.87
Sales	Nil	Nil	Nil
Profit/(Loss) after Tax	Nil	Nil	Nil
Earnings Per Share (EPS) (Rs.)	Nil	Nil	Nil
Net Asset Value (NAV) per share (Rs.)	9.96	9.94	9.48

2. Raj WestPower Limited

Raj WestPower Limited was incorporated on January 5, 1996 under the Companies Act as Raj WestPower Private Limited. The entire shareholding of RWPL was acquired by the company pursuant to a Share Purchase Agreement dated February 10, 2006 thereby making it a wholly owned subsidiary of the Company. The name of this company was changed to Raj WestPower Limited on October 19, 2006. RWPL is setting up 1,080 MW lignite based power plant at Barmer, Rajasthan. The registered office of the company was shifted from 308-311, Geetanjali Towers, Ajmer Road, Jaipur 302 006 to Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai 400 026 on June 11, 2008.

Board of directors

The board of directors of RWPL consists of:

Mr. S.S. Rao	Chairman
Maharaj Jai Singh	Director
Mr. Upinder Singh	Director (Rajasthan Project)
Mr. Pramod Menon	Director
Mr. P. Abraham	Independent Director

Shareholding pattern

The shareholding pattern of RWPL as on November 20, 2009 is as follows:

Name of the shareholders	No. of Shares	Percentage
JSW Energy Limited	1,087,498,668	97.75
South West Mining Limited*	25,000,000	2.25
Mr. Sajjan Jindal*	100	0.00
Mr. Raj Kumar Sharma*	100	0.00
Mr. S.S. Rao*	100	0.00
Mr. Pramod Menon*	100	0.00
Mr. Vinod Dhanuka*	100	0.00
JSW Power Trading Company Limited*	100	0.00
Total	**1,112,499,268**	**100.00**

** Shares held as nominee of JSWEL*

Financial Performance

The summary audited financial statements for the last five Fiscals are as follows:

(Rs. in million, except share data)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005
Equity Capital	10694.99	6808.59	1648.53	18.52	0.52
Reserves	Nil	Nil	Nil	Nil	Nil
Preliminary / Share Issue Expenses	19.87	19.87	19.87	(0.03)	(0.03)
Sales	Nil	Nil	Nil	Nil	Nil
Profit/(Loss) after Tax	Nil	Nil	Nil	Nil	Nil
Earnings Per Share (EPS) (Rs.)	Nil	Nil	Nil	Nil	Nil
Net Asset Value (NAV) per share (Rs.)	9.98	9.97	9.88	9.98	9.42

3. JSW Power Trading Company Limited

JSW Power Trading Company Limited was incorporated on July 8, 2005 under the Companies Act. This company was incorporated to carry on the business of power trading and was granted a power trading licence in 2006. The registered office of JSWPTC is at Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai 400 026.

Board of directors

The board of directors of JSWPTC consists of:

Mr. S.S. Rao	Chairman and Joint Managing Director
Mr. Satish Jindal	Whole Time Director
Mr. Pramod Menon	Director
Mr. Chandan Bhattacharya	Independent Director

Shareholding pattern

The shareholding pattern of JSWPTC as on November 20, 2009 is as follows:

Name of the shareholders	No. of Equity Shares	Percentage	No of Preference Shares	Percentage
JSW Energy Limited	69,999,400	100.00	132,000,000	100.00
Sun Investments Private Limited*	100	0.00	-	-
Vrindavan Services Private Limited*	100	0.00	-	-
Reynolds Traders Private Limited*	100	0.00	-	-
Mr. Raj Kumar Sharma*	100	0.00	-	-
Mr. S.S. Rao*	100	0.00	-	-
Mr. Pramod Menon*	100	0.00	-	-
Total	**70,000,000**	**100.00**	**132,000,000**	**100.00**

** Shares held as nominee of JSWEL*

Financial Performance

The summary audited financial statements for the last three fiscals are as follows:

(Rs. in million, except share data)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity Capital	1,950.00	700.00	700.00
Reserves	112.95	81.54	55.32
Sales	14677.78	7752.18	4461.62
Profit/(Loss) after Tax	31.41	26.22	54.37
Earnings Per Share (EPS) (Rs.)	0.45	0.37	2.42
Net Asset Value (NAV) per share (Rs.)	10.57	11.16	10.79

4. Jaigad PowerTransco Limited

Jaigad PowerTransco Limited was incorporated as a wholly owned subsidiary of JSW PowerTransco Limited on April 23, 2008 under the Companies Act. The Company acquired the entire shareholding of JPTL from JSW PowerTransco Limited on July 29, 2008. JPTL is a joint venture with Maharashtra State Electricity Transmission Company Limited formed to venture into power transmission business. The registered office of JPTL is at Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai 400 026.

Board of directors

The board of directors of JPTL consists of:

Mr. Wasudeo R. Aswar	Chairman
Dr. Sapna Purohit	Director
Mr. Anil V. Deshpande	Director
Mr. Navraj Singh	Managing Director
Mr. K.J. Varkey	Director
Mr. Pramod Menon	Director
Ms. Rani Ganapathy	Director
Mr. S. Madhavan	Director

Shareholding pattern

The shareholding pattern of JPTL as on November 20, 2009 is as follows:

Name of the shareholders	No. of Shares	Percentage
JSW Energy Limited	43,311,230	74.00
Maharashtra State Electricity Transmission Company Limited	15,217,670	26.00
JSW Energy (Ratnagiri) Limited*	100	0.00
Raj WestPower Limited*	100	0.00

Name of the shareholders	No. of Shares	Percentage
Mr. Navraj Singh*	100	0.00
Mr. Vinod Dhanuka*	100	0.00
Mr. S.S. Rao*	100	0.00
Mr. Pramod Menon*	100	0.00
Total	**58,529,500**	**100.00**

** Shares held as nominee of JSWEL.*

Financial Performance

The summary audited financial statements for the last fiscal are as follows:

(Rs. in million, except share data)

Particulars	Fiscal 2009*
Equity Capital	585.29
Reserves	Nil
Preliminary /Share Issue Expenses	10.59
Sales	Nil
Profit/(Loss) after Tax	Nil
Earnings Per Share (EPS) (Rs.)	Nil
Net Asset Value (NAV) per share (Rs.)	9.82

*There are no financial figures available for Fiscals 2005, 2006, 2007 and 2008 as this company was incorporated in April 2008.

5. PT Param Utama Jaya

PT Param Utama Jaya was incorporated on September 7, 2006 in Indonesia. The entire shareholding of PTPUJ was acquired by the Company pursuant to a Share Purchase Agreement dated January 18, 2007 thereby making it a wholly owned subsidiary of the Company. As per the approval granted by the Ministry of Justice, Indonesia, this company is allowed to carry on the business related to consultancy related services. The registered office of this company is Gedung Surya Lt. 6, Suite 604, JL. MH Thamrin Kav, 9, Kel. Gondangdia, Kec. Menteng, Jakarta Pusat.

Board of directors

The board of directors of PTPUJ consists of:

Mr. Vishnu Prakash Garg	Commissioner
Mr. Tuhin Kumar Mukherjee	Director

Shareholding pattern

The shareholding pattern of PTPUJ as on November 20, 2009 is as follows:

Name of the shareholders	No. of Shares#	Percentage
JSW Energy Limited	1,499	99.93
JSW Power Trading Company Limited*	1	0.07
Total	**1,500**	**100.00**

** Shares held as nominee for JSWEL*

 # face value of shares in Rupiah

Financial performance

The summary audited financial statements for the last three fiscals is as follows:

(Rs. in million, except share data)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity Capital	6.78	6.53	7.11
Reserves	(1.79)	9.42	0.002
Sales	Nil	Nil	Nil

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Profit/(Loss) after Tax	(11.59)	9.42	0.002
Earnings Per Share (EPS) (Rs.)	(7726.67)	6280.00	1.33
Net Asset Value (NAV) per share (Rs.)	3,326.67	10633.33	4741.33

6. JSW Energy (Raigarh) Limited

JSW Energy (Raigarh) Limited was incorporated on August 31, 2009, under the Companies Act. This company was incorporated for setting up a 1,320 MW power plant at Raigarh, Raipur District, Chhattisgarh, based on domestic coal. The registered office of JERL is at Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai 400 026.

Board of directors

The board of directors of JERL consists of:

Mr. S.S. Rao	Chairman
Mr. Vinod Kumar Dhanuka	Director
Mr. Pramod Menon	Director

Shareholding pattern

The shareholding pattern of JERL as on November 20, 2009 is as follows:

Name of the shareholders	No. of Shares	Percentage
JSW Energy Limited	49,994	100.00
Raj WestPower Limited*	1	0.00
Mr. S.S. Rao*	1	0.00
Mr. Vinod Dhanuka*	1	0.00
Mr. Navraj Balbir Singh*	1	0.00
Mr. Pramod Menon*	1	0.00
Mr. Sampath Madhavan*	1	0.00
Total	**50,000**	**100.00**

** Shares held as nominee of JSWEL*

Financial Performance

There are no financial figures available as this company was incorporated in August 2009.

OUR MANAGEMENT

Board of Directors

The Articles of Association of the Company require that the number of Directors (excluding Debenture and Alternate Directors) shall not be less than four and not more than twelve.

The following table sets forth details regarding our Board of Directors as on the date of this Red Herring Prospectus:

Name, Father's Name, Address and Occupation	Age	Status of Director in our Company	Other Directorships
Mr. Sajjan Jindal S/o Late Mr. Om Prakash Jindal Jindal House, No. 32, Walkeshwar Road, Mumbai 400 006, Maharashtra Business DIN - 00017762	49	Chairman and Managing Director Executive Director	• JSW Steel Limited • Jindal South West Holdings Limited • JSW Bengal Steel Limited • Vrindavan Fintrade Limited • TCPL Packaging Limited • JSOFT Solutions Limited • JSW Steel (U.K.) Limited • JSW Steel (Netherlands) B.V. • Indian Institute of Management, Indore • Airport Authority of India • National Skill Development Corporation
Mr. S.S. Rao S/o Mr. Sundera Siva Rao "Sarthy" Flat No. 301, 33, K. M. Munshi Marg, Chowpatty Mumbai – 400 007, Maharashtra Service DIN – 00150816	61	Joint Managing Director and CEO Executive Director	• JSW Power Trading Company Limited • Raj WestPower Limited • JSW Energy (Ratnagiri) Limited • Toshiba JSW Turbine & Generator Private Limited • Barmer Lignite Mining Company Limited • JSW Energy (Raigarh) Limited
Mr. Tilak Raj Bajalia S/o Mr. Toonda Ram Bajalia A-203, Twin Towers, Prabhadevi, Mumbai – 400 025, Maharashtra Service DIN – 02291892	55	Nominee Director of IDBI Bank Limited Independent Director	SIDBI Limited
Mr. P. Abraham S/o Mr. P. Sundaram Flat No. 5-C, Girdhar Apartments 28, Feroze Shah Road New Delhi 110 001 Retired IAS officer DIN - 00280426	69	Independent Director	• Maharashtra State Power Generation Company Limited • GVK Power and Infrastructure Limited • UFLEX Limited • PTC India Limited • PTC India Financial Services Limited • Vijai Electricals Limited • Nagarjuna Construction Company Limited • NCC Infrastructure Holdings Limited • Lanco Infratech Limited • TAJGVK Hotels & Resorts Limited

Name, Father's Name, Address and Occupation	Age	Status of Director in our Company	Other Directorships
			• Vishaka Industries Limited • Global Heavy Electricals Limited • Raj WestPower Limited
Mr. D. J. Balaji Rao S/o Mr. D.B. Jagannath Rao D-103, Adarsh Residency, 47th Cross (2nd Main), Jayanagar, 8th Block, Bangalore 560 082 Karnataka Service DIN - 00025254	69	Independent Director	• Ashok Leyland Limited • Bajaj Auto Limited • 3M India Limited • Graphite India Limited • Hinduja Foundries Limited • Bajaj Holdings and Investment Limited • Bajaj Finserv Limited • Bajaj Auto Finance Limited • CMI-FPE Limited
Mr. Chandan Bhattacharya S/o Mr. Manmohan Bhattacharya Flat No 702, Surya Apartment, 53 Bhulabhai Desai Road, Breach Candy, Mumbai 400 026 Maharashtra Retired Managing Director, State Bank of India DIN - 01341570	63	Independent Director	• Great Offshore Limited • Phoenix ARC Private Limited • Meghmani Organics Limited • JSW Energy (Ratnagiri) Limited • JSW Power Trading Company Limited • HNG Float Glass Limited • Mody Tyres Company Private Limited • DB Realty Limited
Mr. J.K. Tandon S/o Mr. Brij Kishore Tandon B-201 Mon Repos 45, H K Bhabha Road, Lands End, Bandra (W), Mumbai – 400 050, Maharashtra Service DIN - 01282681	67	Non – Executive	• JSW Bengal Steel Limited • JSW Jharkhand Steel Limited • JSW Cement Limited • JSW Building Systems Limited • Jindal Praxair Oxygen Company Private Limited • Tamilnadu Iron Ore Mining Corporation Limited • Vijayanagar Minerals Private Limited • JSW Steel USA Inc.
Mr. Shailesh F. Shah S/o Mr. Fatehchand Shah B-902, The Enclave, Behind Marathe Udyog Bhavan, New Prabhadevi Road, Prabhadevi, Mumbai 400 025 Maharashtra Service DIN – 02568019	49	Non- Executive Director	• JSoft Solutions Limited

Brief Profile of the Directors

Mr. Sajjan Jindal: Mr. Sajjan Jindal is the Chairman and Managing Director of the Company. He holds a bachelor's degree in mechanical engineering from the Bangalore University. He is also a principal promoter of the Company, vice-chairman and managing director of JSWSL and chairman in other JSW Group Companies and director in other companies. He is a member of Indian Council for Sustainable Development, member of the Advisory Committee of TERI School of Management, member of CII National Council, council member of

Indian Institute of Metals and member of the Board of Directors of Indian Institute of Management, Indore and was the president of Assocham from June 2008 to October 2009. In 2007, Mr. Jindal was named the Ernst & Young 'Entrepreneur of The Year' in the manufacturing category. He has been on the Board of Directors of the Company since October 20, 2003. He was designated as the Chairman and Managing Director of the Company on January 1, 2009.

Mr. S.S. Rao: Mr. S.S. Rao is the Joint Managing Director and the CEO of the Company. He holds a Bachelor's degree in Electrical Engineering and a masters degree in business administration. Mr. Rao has over 39 years of experience in establishing Greenfield thermal power projects, negotiating and implementing PPAs and fuel supply agreements, power pricing, tariff structures and mechanisms, environment friendly and safe methods in operating and maintenance of power plants. He is a member of the New York Academy of Sciences, Chartered Engineer (India), Senior Member of IEEE (USA), fellow member of the Institution of Engineers and Licensee as Surveyor and Loss Assessor (IRDA). Prior to joining JSWEL, he worked with the Power Grid Corporation of India Limited, National Thermal Power Corporation, Mecon India Limited and Aditya Birla Group.

Mr. Tilak Raj Bajalia: Mr. Tilak Raj Bajalia is a Nominee Director of the IDBI Bank Limited. He holds a Bachelor's degree in Arts, CAIIB and member of Institute of Cost and Works Accountants of India. He started his banking career in 1974 with Bank of India and joined IDBI in 1983. He has worked in various departments like human resources department and corporate finance department, has handled Infrastructure projects and recovery and is presently heading SME Vertical. He has also been in-charge of the Jaipur branch office, handling the entire Rajasthan region portfolio and Mumbai branch office covering entire Maharashtra. He was a member of the committee constituted by Reserve Bank of India for restructuring of cases with exposure less than Rs.100 million. He has been associated with CII and FICCI for the development and growth of SMEs.

Mr. P. Abraham: Mr. P. Abraham is an Independent Director on the Board of the Company. He holds a Masters degree in Arts and Diploma in System Management and is an Indian Administration officer. He worked in various capacities as the Secretary to Municipal Administration, Housing and Urban Development, Government of Andhra Pradesh, Secretary to the Maharashtra State Electricity Board, Secretary to the Energy Department, Government of Maharashtra, chairman and managing director, Maharashtra State Textile Corporation, Joint Secretary, Industries Department, Government of Maharashtra, Iron & Steel Controller, Ministry of Steel, Government of India, managing director, Investment Corporation of Andhra Pradesh, Commissioner of Industries, Government of Andhra Pradesh, Secretary to the Environmental & Energy Department, Additional Secretary and Special Secretary to the Ministry of Defence, Government of India and Secretary to the Ministry of Power, Government of India.

Mr. D.J. Balaji Rao: Mr. D.J. Balaji Rao is an Independent Director on the Board of the Company. He holds Bachelor's degree in Mechanical Engineering and holds a Post Graduate Diploma in Industrial Engineering. He has also attended the Advanced Management Program at European Institute of Business Administration at Fontainbleu, France. He has worked with ICICI for 25 years in the field of project evaluations and operations and has served as an Executive Director of ICICI and as the Vice – Chairman and Managing Director of SCICI Limited. He was the first Managing Director of Infrastructure Development Finance Company Limited.

Mr. Chandan Bhattacharya: Mr. Chandan Bhattacharya is an Independent Director on the Board of the Company. He holds a Bachelor degree in Arts Honours from Kolkata University and CAIIB. He is the former Managing Director of State Bank of India and has a wide range of experience of over 39 years in Banking, Trade and Commerce. He was a member of Managing Committee of Indian Banking Association, Executive Committee of FICCI, Banking & Finance Committee of ASSOCHAM and head of Inter - Institutional Group on financing of fast track Power Projects. He has also served on the Boards of Directors of SBI, California, SBI Capital Markets Limited, SBI Funds Management Private Limited, SBI Factors & Commercial Services Private Limited, INMB Bank Limited, Lagos, Nigeria, Discount & Finance House of India Limited, Mumbai and eight other associate banks of SBI. He has served as a Member, Securities Appellate Tribunal in the rank of Secretary to Government of India. Currently, he is an advisor to Mckinsey & Co. in India. He is also the group financial advisor to 2/3 leading industrial groups in Mumbai and Ahmedabad and is also a visiting Guest Lecturer at NIBM, Pune, IIM, Indore and MDI, Gurgaon and is a Co-Chairman of Finance and Banking of Indian Merchants Chamber, Mumbai.

Mr. J.K. Tandon: Mr. J.K. Tandon has been associated with several projects from "Conceptualisation to Stabilisation" since 1962. In Indian Steel Industry, he has been responsible for setting up various Steel Plants like Sunflag Iron and Steel, Bhandara (Maharashtra), Essar Steel Limited, Hazira (Gujarat), JSW Steel, Vijayanagar (Karnataka) and was at their helm of affairs from 1986 to 2003. He is presently looking after initial foray of JSW Group in Cement and Aluminium Industry in addition to overseeing other steel projects. He is the Chairman of JSW Cement Limited and is member of Board of Directors of JSW Bengal Steel Limited, JSW Jharkhand Steel Limited, JSW Building Systems Limited, JPOCL, TIOMCL, VMPL & JSW Steel USA Inc. He is actively associated with various professional bodies as a Fellow of the Institution of Engineers (India), a Council Member of the Indian Institute of Metals for the last ten years.

Mr. Shailesh F. Shah: Mr. Shailesh Shah is a Bachelor in Mechanical Engineering, a Master in Operations Research and a Master in Business with specialization in Finance and Strategy. He has read at Bangalore University, Syracuse University, Drexel University and the Wharton School of the University of Pennsylvania. Mr. Shah joined JSW Group after having led strategy and consulting for Satyam, being the India MD and global strategy head of Watson Wyatt and a partner with Price Waterhouse in USA. In these roles, Mr. Shah has had opportunities to work across a variety of industries in USA, UK, Italy, Japan, Singapore and India. As a management consultant, he has served companies in several continents in a large variety of industries in areas related to strategy, operations, organization, people issues and economic development.

Borrowing powers of the Board

Pursuant to an Extra-Ordinary General Meeting Resolution dated December 21, 2007 passed by the shareholders of the Company in accordance with the provisions of the Companies Act, 1956, the Board has been authorized to borrow any sum or sums of money from time to time for the purposes of the Company upon such terms and conditions and with or without security as the Board may think fit, provided that the money or monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loan obtained from the Company's bankers in the ordinary course of business) shall not at any time exceed 10 (ten) times the aggregate of the paid-up capital and free reserves of the Company over and above the paid up capital and free reserves of the Company.

Details of Appointment of the Directors

Name of Directors	Date of Resolution	Term	Date of expiry of term
Mr. Sajjan Jindal	Board Resolution dated October 20, 2003	Director not liable to retire by rotation	As the Managing Director - December 31, 2013
Mr. S.S. Rao	Board Resolution dated April 12 2007	Director liable to retire by rotation, if required	April 11, 2011
Mr. Tilak Raj Bajalia	Board Resolution dated July 31, 2008	Director not liable to retire by rotation	The date on which nomination is withdrawn by IDBI
Mr. P. Abraham	Board Resolution dated October 20, 2003	Director liable to retire by rotation	The date on which the AGM of the Company is held in 2010
Mr. D.J. Balaji Rao	Board Resolution dated September 9, 2005	Director liable to retire by rotation	The date on which the AGM of the Company is held in 2010
Mr. Chandan Bhattacharya	Board Resolution dated March 6, 2007	Director liable to retire by rotation	The date on which the AGM of the Company is held in 2011
Mr. J.K. Tandon	Board Resolution dated October 23, 2008	Director liable to retire by rotation	The date on which the AGM of the Company is held in 2011
Mr. Shailesh F. Shah	Board Resolution dated January 23, 2009	Director liable to retire by rotation	The date on which the AGM of the Company is held in 2012

Details of Remuneration of the Directors

Mr. Sajjan Jindal, Chairman & Managing Director

Mr. Sajjan Jindal was appointed as Chairman and Managing Director of the Company with effect from January 1, 2009 vide shareholders resolution dated June 2, 2009 for a period of five years. The remuneration payable to Mr. Sajjan Jindal, as director during the tenure of his appointment would comprise basic salary within the scale of Rs. 2.25 million to Rs. 4.50 million per month, allowances and perquisites, with an aggregate monetory value limit of Rs.10 million per month.

The perquisites and allowances payable to Mr. Sajjan Jindal according to the resolution would include furnished accommodation or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs; performance incentive; medical reimbursement, club fees and leave travel concession for himself and his family, medical insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Sajjan Jindal. The perquisites and allowances will be subject to a maximum ceiling of 125% of the basic salary payable to Mr. Sajjan Jindal.

Mr. Sajjan Jindal is also entitled for Company's contribution to provident fund and superannuation or annuity fund, gratuity and encashment of leave at the end of his tenure, in accordance with the rules of the Company, medical benefits for himself and his dependant family members, free use of cars with drivers for the business of the company and free telephone and other communication facility at residence and leave with full pay or encashment thereof. All these above mentioned benefits are subject to the Company's rules. Also, the remuneration payable to Mr. Sajjan Jindal is subject to an overall limit of 11% of the net profits of the Company and may be revised from time to time such that the aggregate of remuneration is within the limit as approved by the shareholders.

Mr. Sajjan Jindal being Vice – Chairman & Managing Director of JSW Steel Limited, the aggregate remuneration drawn by Mr. Sajjan Jindal from JSW Steel Limited and the Company shall not exceed the higher maximum limit admissible from any one of the Companies of which Mr. Sajjan Jindal is a managerial person.

Mr. S.S. Rao, Joint Managing Director and CEO

Mr. S.S. Rao was appointed as the Joint Managing Director and Chief Executive Officer - Projects of the Company with effect from April 12, 2007 and redesignated as the Joint Managing Director and Chief Executive Officer of the Company with effect from August 18, 2007 pursuant to an agreement dated November 1, 2007. He was further reappointed as Whole Time Director and designated as Joint Managing Director and Chief Executive Officer with effect from January 1, 2009 pursuant to an agreement dated January 27, 2009. Under the terms of the agreement, he has been appointed for the period from January 1, 2009 till April 11, 2011 and the remuneration payable to Mr. S.S. Rao, as director during the tenure of his appointment would comprise salary, allowances and perquisites, with an aggregate monetary value limit of Rs. 13.50 million per annum.

The perquisites and allowances payable to Mr. S.S. Rao, according to the agreement, would include furnished and maintained accommodation, gas, electricity, water, furnishing, leave travel concession for himself and his family members, club fees, medical insurance, personal accident insurance, annual fees for professional bodies, and other allowances, benefits, etc., in accordance with the rules of the Company.

Mr. S.S. Rao is also entitled to participate in the employee stock option schemes of the Company, medical benefits for himself and his dependant family members, Company's contribution to provident fund and superannuation fund in accordance with the rules of the Company, half a month's salary for each completed year of service as gratuity, free use of cars with drivers for the business of the company and free telephone and other communication facility at residence and leave with full pay or encashment thereof. All these above mentioned benefits are subject to the Company's rules. Also, the remuneration payable to Mr. S.S. Rao is subject to an overall limit of 11% of the Net Profits of the Company and may be revised from time to time such that the aggregate of remuneration is within the limit as approved by the shareholders.

The Company pays its non-executive Directors (other than non-executive directors of JSW Group) sitting fees of Rs. 20,000 for every meeting of its Board, audit committee and remuneration committee as authorised by Board Resolution dated June 08, 2006 and Rs. 20,000 for every meeting of the shareholder/investor's grievance committee and other committees of the Board, as authorised by Board resolution dated December 19, 2007. The Company also pays its Non-Executive Directors other than non-executive directors of JSW Group, commission not exceeding 1% of the net profits of the Company (to be distributed amongst the Directors as approved by the Board of Directors) in terms of the approval of the shareholders at the 14th Annual General Meeting held on September 22, 2008.

We have not entered into any service agreements with any of our other directors which provide for benefits upon termination of service.

Corporate Governance

The Company has complied with the requirements of the applicable regulations, including the listing agreement to be entered in to with the Stock Exchanges and the SEBI Regulations, in respect of corporate governance including constitution of the Board and Committees thereof. Corporate Governance is administered through the Board and the committees of the Board. Additionally, the primary responsibility of upholding high standards of corporate governance and providing necessary disclosures within the framework of legal provisions and institutional conventions with commitment to enhance shareholders' value, vests with the Board.

Currently our board has eight directors, of which the Chairman of the Board is an executive director, and in compliance with the requirements of Clause 49 of the Listing Agreement, we have two executive directors, two non-executive directors and four independent directors on our Board.

Also, in terms of the Listing Agreement, Mr. Chandan Bhattacharya, an independent director of the Company has been appointed as a director on the boards of the Company subsidiaries, JSWERL and JSWPTC and Mr. P. Abraham, an independent director, has been appointed as a director on the board of RWPL.

In connection with the listing of the Equity Shares, we will be required to enter into listing agreements with the Stock Exchanges. The Company is in compliance and undertakes to continue to be in compliance with the applicable provisions of the listing agreements pertaining to corporate governance, including appointment of independent Directors and constitution of the following committees of the Board:

Committees of the Board of Directors

Audit Committee:

Members:	Mr. Chandan Bhattacharya, Chairman
	Mr. P. Abraham
	Mr. D.J. Balaji Rao
	Mr. J.K. Tandon

Terms of Reference / Scope of the Audit Committee

General Functions and Powers

1. Overseeing the Company's financial reporting process and disclosure of its financial information.

2. Recommending to the Board the appointment, re-appointment, and replacement of the statutory auditor and the fixation of audit fee.

3. Approval of payments to the statutory auditors for any other services rendered by them.

4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

    i. 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, 1956

    ii. Changes, if any, in accounting policies and practices and reasons for the same

    iii. Major accounting entries involving estimates based on the exercise of judgment by management

    iv. Significant adjustments made in the financial statements arising out of audit findings

    v. Compliance with listing and other legal requirements relating to financial statements

    vi. Disclosure of any related party transactions

    vii. Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval.

6. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems.

7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

8. Discussion with internal auditors any significant findings and follow up there on.

9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

12. Reviewing the functioning of the whistle blower mechanism, in case the same is existing.

13. Review of management discussion and analysis of financial condition and results of operations, statements of significant related party transactions submitted by management, management letters/letters of internal control weaknesses issued by the statutory auditors, internal audit reports relating to internal control weaknesses, and the appointment, removal and terms of remuneration of the chief internal auditor.

14. Monitoring the use of proceeds from public issues made by the Company.

15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

<u>Information for Review</u>

1. Management discussion and analysis of financial condition and results of operations;

2. Statement of significant related party transactions;

3. Internal Audit reports relating to internal control weaknesses.

4. The appointment, removal and terms of remuneration of the Chief Internal Auditor

5. Review of the financial statements of the unlisted subsidiary Company(ies), in particular, the investments made by them, if any.

Shareholders /Investors' Grievance Committee:

Members: Mr. J.K. Tandon, Chairman
Mr. S.S. Rao
Mr. Chandan Bhattacharya

Role and functions of the Shareholder / Investor Grievance Committee

The Committee performs *inter alia* the role / functions as are set out in Clause 49 of the Listing Agreement with Stock Exchanges and includes:

1. Investor relations and redressal of shareholders grievances in general and relating to non receipt of dividends, interest, non- receipt of balance sheet etc.

2. Oversee the performance of Registrar and transfer agent.

3. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

Remuneration Committee:

Members: Mr. P. Abraham, Chairman
Mr. D.J. Balaji Rao
Mr. J.K. Tandon

Role and functions of Remuneration Committee:

1. Framing suitable policies and systems to ensure that there is no violation, by an Employee or the Company of any applicable laws in India or overseas, including:

   a. The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or

   b. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995.

2. Determine on behalf of the Board and the shareholders the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payments.

3. Perform such functions as are required to be performed by the Compensation Committee under Clause 5 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

4. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

IPO Committee:

Members: Mr. Sajjan Jindal, Chairman
Mr. S.S. Rao
Mr. J.K. Tandon
Mr. Chandan Bhattacharya

This Committee is responsible for dealing with all matters in relation to the pre-IPO placement and the initial public offering of the Company. This committee was set up by the Board of Directors at their meeting dated July 21, 2009.

In addition, the Board constitutes, from time to time, such other committees, as may be required, for efficient functioning and smooth operations of the Company.

Shareholding of Directors in our Company

The Articles of Association do not require our Directors to hold any qualification Shares. Out of our directors, only Mr. Sajjan Jindal holds 74,544,262 Equity Shares of the Company in his individual capacity.

Interests of our Directors

The Directors may be interested in the Equity Shares that may be subscribed by or allotted to the Company's firms or trusts in which they are interested as directors, members, partners, trustees and promoters, pursuant to the Issue. All of the 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.

All the Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof, to the extent of commission payable to them, as well as to the extent of reimbursement of expenses payable to them under the Articles of Association and to the extent of remuneration that is payable to them for services rendered as an officer or an employee of the Company.

The Company has acquired a property from Vinamra Properties Private Limited (erstwhile Tarini Properties Private Limited) and has agreed to acquire a property from Windsor Residency Private Limited. JSWPTC has agreed to acquire a property from Windsor Residency Private Limited. For more details, see "Business -

Property" on page 107 of this Red Herring Prospectus. Relatives of Mr. Sajjan Jindal are majority shareholders of both these companies.

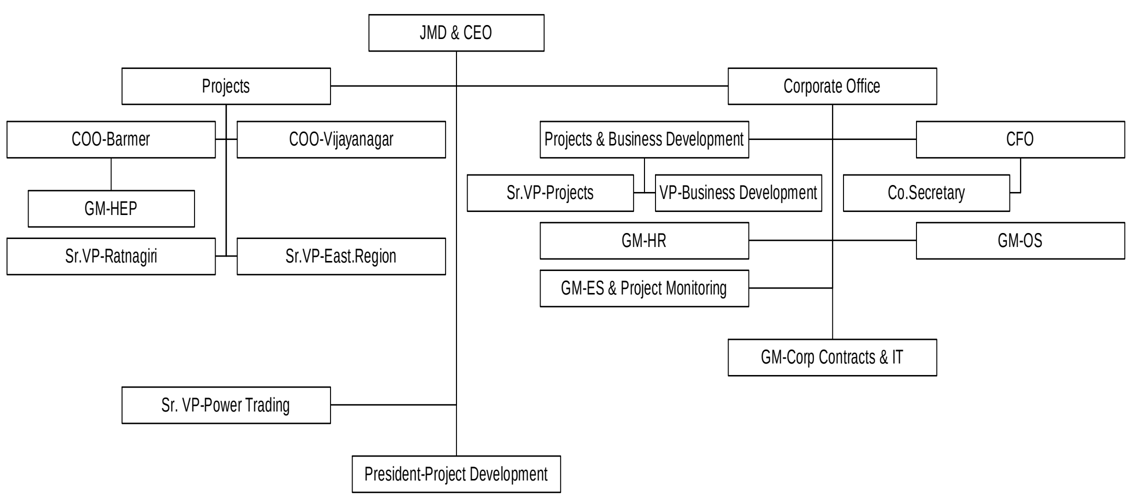
Except as stated in the section titled "Financial Statements - Related Party Transactions" beginning on page 203 of this Red Herring Prospectus, the Directors do not have any other interest in the business of the Company.

Changes in the Board of Directors during the last three years

The following changes have occurred in Board of Directors of the Company in the last three years:

Name of Director	Date of Appointment / Re-appointment	Date of cessation	Reason
Mr. Prashant R. Deshpande	October 25, 2005	May 5, 2009	Resignation
Mr. P. Suresh	October 3, 2006	March 26, 2009	Withdrawal of nomination by ICICI Bank Limited
Mr. Shailesh F. Shah	January 23, 2009	-	Appointment
Dr. U.K Mukhopadhyay	May 9, 2008	January 23, 2009	Resignation
Mr. J.K. Tandon	October 23, 2008	-	Appointment
Mr. N.K. Jain	December 14, 1999	October 23, 2008	Resignation
Mr. Tilak Raj Bajalia	July 31, 2008	-	Nominated by IDBI Bank Limited
Mr. Siby Antony	September 9, 2005	July 31, 2008	Withdrawal of Nomination by IDBI Bank Limited
Mr. Raaj Kumar	January 18, 2005	August 30, 2007	Resignation
Mr. Krishna Deshika	February 21, 2004	April 16, 2007	Resignation
Mr. S.S. Rao	April 12, 2007	-	Appointment
Mr. Chandan Bhattacharya	March 6, 2007	-	Appointment

Functional Organisational Chart



Key Management Personnel

The details regarding our Key Management Personnel are as follows:

Mr. Sajjan Jindal: For details see "Brief Profile of the Directors" on page 154 of the Red Herring Prospectus.

Mr. S.S. Rao: For details see "Brief Profile of the Directors" on page 154 of the Red Herring Prospectus.

Mr. R.R. Pillai: Aged 58 years, and Indian national, Mr. Pillai is designated as the Executive Director of the Company. He holds a Master's Degree in Mechanical Engineering and is the plant head of the 2X130 MW and 1X300 MW JSWEL power plants and also over sees the operation and maintenance of 1X100 and 1X130 MW power plants of JSWSL. He is the project head of the 2X300 MW ongoing power project at Toranagallu. He has 39 years of experience in testing, commissioning, installation, operation and maintenance of power plants. Prior to joining JSWEL, he was with Bharat Heavy Electricals Limited for 23 years. The gross compensation paid to him during fiscal 2009 was Rs. 6.54 million. He joined the Company during Fiscal 2000. His term of office expires on January 22, 2011.

Mr. Upinder Singh: Aged 47 years, and Indian national, Mr. Singh is the Chief Operating Officer of the Company. He is an Electrical Engineer; and is in charge of 8X135 MW power project at Barmer, Rajasthan. He has 26 years of experience in establishing thermal power projects, switchyard, preparation of policy and guidelines for operation of grid and was instrumental in erection and commissioning of 2X130 MW JSWEL plants as well as 1x100 MW CPP-1. Prior to joining JSWEL, he worked in National Thermal Power Company Limited and Power Grid Corporation of India Limited. The gross compensation paid to him during fiscal 2009 was Rs. 7.00 million. He joined the Company during Fiscal 1996. His term of office expires on April 11, 2022.

Mr. Sanjay Sagar: Aged 52 years, and Indian National, Mr. Sagar is the President – Project Development. He holds a management degree from the University of Delhi with over 27 years of experience including 12 years in the energy sector. Mr. Sagar handles the coordination with Government and statutory authorities for the developmental issues related to the projects under development, projects under execution and future projects of JSWEL. Prior to joining JSWEL he was working with Adani Enterprises Limited as the Chief Corporate Coordinator. The gross compensation paid to him during fiscal 2009 was Rs. 1.13 million. He joined the Company during the Fiscal 2009. His term of office expires on August 4, 2017.

Mr. K.J. Varkey: Aged 49 years, and Indian national, Mr. Varkey is the Senior Vice – President. He is a Mechanical Engineer; and is in charge of 4X300 MW Ratnagiri, power project at Maharashtra. He has 26 years of experience in construction, commissioning, operation, testing, performance review and monitoring of power plants and commercial aspects. Prior to joining the JSWEL he worked with NTPC for 12 years and with Ansaldo Energia 2x320 MW Bisotoun TPP, Iran for 2 years. The gross compensation paid to him during fiscal 2009 was Rs. 6.79 million. He joined the Company during Fiscal 1997. His term of office expires on March 18, 2020.

Mr. Vinod Dhanuka: Aged 57 years, and Indian national, Mr. Dhanuka is the Senior Vice – President (Projects) of the Company. He is an engineering graduate from Birla Institute of Technology and Science, Pilani and has completed his Masters in Business Administration from FMS, Delhi University. He has over 36 years of techno-commercial experience in project planning and development, fuel management, construction, commercial, project management, contracts, quality management, sales and marketing, business development of large utility power projects with premier corporates. Prior to joining JSWEL, he has worked with the Aditya Birla Group and Bharat Heavy Electricals Limited. The gross compensation paid to him during fiscal 2009 was Rs. 3.78 million. He joined the Company during Fiscal 2008. His term of office expires on July 1, 2012.

Mr. Samirendra Ghosh: Aged 58 years, and Indian national, Mr. Ghosh is the Senior Vice – President of the Company looking after new project development activities in the eastern part of the country. He is an electrical engineering graduate and a member of All India Management Association; and has 36 years of experience in various types of projects, involving different technologies. He has handled techno-commercial negotiations with leading power equipment manufacturers and was responsible for development and implementation of power projects in IPP sector including engineering and project management activities. Prior to joining the JSWEL, he has worked with Aditya Birla Group, Indo Gulf Fertilisers Limited, Andrew Yule & Company Limited, Indian Oil Corporation Limited and Crompton Greaves Limited. The gross compensation paid to him during fiscal 2009 was Rs. 3.01 million. He joined the Company during Fiscal 2008. His term of office expires on July 31, 2011.

Mr. Satish Jindal: Aged 49 years, and Indian national, Mr. Satish is the Senior Vice – President of the Company. He is an Electrical Engineering graduate; and is in charge of the power trading business. He has more than 25 years of experience in power trading, conducting international competitive bidding, post award contract management, including project management, mobilisation and settlement of techno-commercial disputes, pre bidding and post bidding contract management for procurement of various capital goods for sub-stations, transmission line projects. Prior to joining JSWEL, he has worked with National Thermal Power Company Limited, Power Grid Corporation of India Limited and Power Trading Corporation of India. The gross compensation paid to him during fiscal 2009 was Rs. 4.33 million. He joined the Company during fiscal 2007. His term of office expires on August 27, 2019.

Mr. Navraj Singh: Aged 53 years, and Indian national, Mr. Singh is the Vice – President of the Company. He is an electrical engineering graduate from Indian Institute of Technology, Delhi; and has 29 years of experience in different facets of power business like, corporate strategy, business development, market and customer development, competitive intelligence, customer relations, policy and regulatory management, overseas contracts management and project co-ordination and monitoring, overall execution management of power projects in generation, transmission and distribution sectors. Prior to joining JSWEL, he has worked with Tata Power Company Limited. The gross compensation paid to him during fiscal 2009 was Rs. 3.92 million. He joined the Company during Fiscal 2008. His term of office expires on June 5, 2016.

Mr. Pramod Menon: Aged 38 years, and Indian national, Mr. Menon is the Associate Vice – President and Chief Financial Officer of JSWEL. He joined the JSW Group in 1994. He is an Associate member of Institute of Chartered Accountants of India and a graduate of the Institute of Cost and Works Accountants of India. Mr. Menon has 15 years of experience in project finance, corporate finance, treasury management and investor relations. Prior to joining JSWEL, he has worked with JSW Steel Limited. The gross compensation paid to him during fiscal 2009 was Rs. 4.42 million. He joined the Company during Fiscal 2008. His term of office expires on August 12, 2031.

Mr. Sampath Madhavan: Aged 49 years, and Indian national, Mr. Madhavan is the Company Secretary and Compliance Officer. Mr. Madhavan is Bachelor of Commerce and Law and is a Graduate of Institute of Cost and Works Accountants of India and an Associate Member of Institute of Company Secretaries of India. He has over 21 years of experience in Legal, Secretarial, Compliances, Finance and Banking. Prior to joining the JSWEL, he has worked with Thirumalai Chemicals Limited, MIRC Electronics Limited, Acrow (I) Limited and Colgate Palmolive (India) Limited. The gross compensation paid to him during fiscal 2009 was Rs. 2.18 million. He joined the Company during Fiscal 2008. His term of office expires on May 25, 2020.

All our KMP as disclosed above are permanent employees of the Company and none of our Directors and our KMP are related to each other.

Retirement Benefits of Key Management Personnel

All our KMP are entitled to the following retirement benefits:

1. Gratuity at the rate of 15 days of wages for every completed year of service;
2. Token gift equivalent to last month basic salary subject to maximum of Rs. 25,000; and
3. Reimbursement for travel, shifting expense, insurance, packing and transportation charges incurred, subject to maximum of one month basic salary.

Shareholding of the Key Management Personnel

Mr. Sajjan Jindal holds 74,544,262 Equity Shares of the Company in his individual capacity.

Bonus or profit sharing plan of the Key Management Personnel

Our Company has a performance linked bonus and does not have a profit sharing plan for the Key Management Personnel.

Interests of Key Management Personnel

The KMP of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of their shareholding, if any, in the Company.

None of our KMP have been paid any consideration of any nature from our Company, other than their remuneration.

Changes in the Key Management Personnel

The changes in the KMP in the last three years are as follows:

Name of the Key Management Person	Date	Reason for Change
Mr. Pramod Menon	April 1, 2007	Appointment
Mr. S.S. Rao	April 12, 2007	Appointment

Name of the Key Management Person	Date	Reason for Change
Mr. Krishna Deshika	April 16, 2007	Resignation
Mr. Samirendra Ghosh	July 6, 2007	Appointment
Mr. S. Madhavan	July 11, 2007	Appointment
Mr. Vinod Dhanuka	July 20, 2007	Appointment
Mr. Raaj Kumar	August 30, 2007	Resignation
Mr. Navraj Singh	November 15, 2007	Appointment
Mr. Nagesh Pinge	December 17, 2007	Appointment
Mr. Sanjay Sagar	January 16, 2009	Appointment
Mr. Nagesh Pinge	January 23, 2009	Resignation

Employees Share Purchase and Stock Option Scheme

The Company does not presently have any stock option scheme or stock purchase scheme for its employees.

Payment or Benefit to Officers of the Company

Except as stated otherwise in this Red Herring Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any of the officers except the normal remuneration for services rendered as Directors, officers or employees, since the incorporation of the Company.

Except as stated in "Related Party Transactions" beginning on page 184 of this Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors.

OUR PROMOTERS AND GROUP COMPANIES

<u>Our Promoters</u>

Mr. Sajjan Jindal, Mr. PR Jindal, Mrs. Sangita Jindal, JSW Investments Private Limited and Sun Investments Private Limited are the Promoters of our Company.

1. Mr. Sajjan Jindal

Mr. Sajjan Jindal, age 49 years, is the Chairman and Managing Director of our Company. For further details, see "Our Management" on page 153 of this Red Herring Prospectus.

Mr. Sajjan Jindal has applied for a voter identification, his driving licence number is 44304/W-Hissar and his passport number is G0600402.

2. Mr. P.R. Jindal

Mr. P.R. Jindal, age 57 years.

His voter identification number is HR/09/74/414061, his driving license number is DL No./8733/MTR/20 and his passport number is F2932412.

Address: 6, Prithviraj Road, New Delhi 110021

Mr. P.R. Jindal is the Vice Chairman of Jindal Saw Limited and has been involved with the production of SAW pipes for three decades. Under Mr. Jindal's stewardship, JSL has developed a mutli fold product line, offering total pipe solutions to a wide array of sectors - energy, water and sewage transportation and industrial application.

3. Mrs. Sangita Jindal

Mrs. Sangita Jindal, age 47 years.

Her voter identification number is ISD2100535 and her passport number is Z1782688. Mrs. Sangita Jindal does not have a driving license.

Address: Jindal House, No. 32, Walkeshwar Road, Mumbai 400 006, Maharashtra

Sangita Jindal, is the chairperson of the Jindal South West Foundation, the philanthropic arm of the JSW Group. She is also the founding trustee of The Friends for JJ School of Art Trust which is involved in the restoration of the institution, the chairperson of the Hampi Foundation that propagates a widespread outlook to heritage management and on the board of trustees of the World Monuments Fund. She is also nominated as member to the Council of the National Culture Fund, New Delhi and is an Eisenhower Fellow 2004.

We confirm that the permanent account number, bank account number and passport number of Mr. Sajjan Jindal and Mr. P.R. Jindal have been submitted to BSE and NSE, at the time of filing the Draft Red Herring Prospectus with them. Further, we confirm that the permanent account number, bank account number and passport number of Mrs. Sangita Jindal will be submitted to BSE and NSE, prior to the filing of the Red Herring Prospectus with the RoC.

4. JSW Investments Private Limited

JSW Investments Private Limited was incorporated on March 31, 2005, as Samarth Holdings Private Limited under the Companies Act, 1956. The name was changed from Samarth Holdings Private Limited to JSW Investments Private Limited with effect from September 29, 2006. JSWIPL's registered office is situated at Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai 400026. Mrs. Sangita Jindal is the sole promoter of this company.

Principal business of JSWIPL

This company is an investment company dealing in shares and securities.

Board of directors of JSWIPL as on November 20, 2009

Name	Position
Mrs. Sangita Jindal	Director
Mr. Balwant Ranka	Director
Mr. Sriram K.S.N.	Director

Shareholding pattern of JSWIPL as of November 20, 2009

	Name	No. of Shares held	Percentage
1.	Mrs. Sangita Jindal	2,049,900	100.00
2.	Mr. Balwant Ranka	100	0.00

Financial performance of JSWIPL

(Rs. in million, except share data)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Sales & Other Income	610.96	-	1,164.99
PAT	(876.25)	(866.83)	1,109.86
Equity Capital	20.50	20.50	20.50
Reserves	(632.66)	243.59	1,110.41
EPS(Rs.)	(427.22)	(422.84)	541.40
Book Value per share (Rs.)	(298.62)	128.82	551.66

Other information

JSWIPL is an unlisted company. JSWIPL is neither a sick company within the meaning of SICA nor is it under winding up.

We confirm that the permanent account number, bank account number, company registration number and the address of the RoC where JSWIPL is registered have been submitted to BSE and NSE at the time of filing the Draft Red Herring Prospectus with them.

5. ***Sun Investments Private Limited***

Sun Investments Private Limited was incorporated on June 2, 1981, under the Companies Act, 1956. The name of the Company was changed from Sun Investments Private Limited to Sun Investments Limited consequent to its conversion into a public limited company with effect from October 15, 1990. Subsequently, the name of SIPL was changed from Sun Investments Limited to Sun Investments Private Limited consequent to its conversion into a private limited company with effect from February 18, 2003. SIPL's registered office is situated at Jindal Centre, 12 Bhikaji Cama Place, New Delhi 110 066. The Registered Office of SIPL was shifted from the state of New Delhi to the state of Maharashtra with effect from December 4, 2003 and was shifted again from the state of Maharashtra to the state of New Delhi with effect from January 31, 2006. JSWHL is the sole promoter of this company.

Principal Business of SIPL

This company is engaged in the activity of investing in shares and securities.

Board of Directors of SIPL as of November 20, 2009:

Name	Position
Mrs. Sangita Jindal	Managing Director
Mr. V.P. Garg	Director
Mr. Deepak Bhat	Director
Mr. Ashok Goel	Director

Shareholding pattern of SIPL as of November 20, 2009:

Sr. No.	Name	No. of Shares held	Percentage
1.	Jindal South West Holdings Limited	32,456,800	43.37
2.	Jargo Investments Limited	11,119,300	14.86
3.	Jindal Coated Steel Limited	5,513,700	7.37
4.	Mendeza Holding Limited	4,760,100	6.36
5.	Sarmento Holdings Limited	4,207,800	5.62
6.	Nacho Investments Limited	3,711,900	4.96
7.	Estrela Investment Company Limited	3,052,300	4.08
8.	Pentel Holdings Limited	2,989,400	3.99
9.	Beaufield Holdings Limited	2,347,200	3.14
10.	Heston Securities Limited	2,033,600	2.72
11.	Templar Investments Limited	2,033,000	2.72
12.	Vavasa Investments Limited	239,900	0.32
13.	Mr. Naveen K. Jindal	62,620	0.08
14.	Mr. Abhuday Jindal	51,000	0.07
15.	Ms. Sminu Jindal	46,100	0.06
16.	Vrindavan Services Private Limited	39,300	0.05
17.	Mr. P.R. Jindal	33,320	0.04
18.	Ms. Tanvi Jindal	23,500	0.03
19.	Mrs. Savitri Devi Jindal	18,620	0.02
20.	Nalwa Sons Investments Limited	17,000	0.02
21.	Mr. Ratan K. Jindal	15,920	0.02
22.	Mrs. Sangita Jindal	13,400	0.02
23.	Ms. Urvi Jindal	10,000	0.01
24.	Ms. Tripti Jindal	8,800	0.01
25.	Ms. Tarini Jindal	6,000	0.01
26.	Mrs. Deepika Jindal	6,000	0.01
27.	Colorado Trading Company Limited	5,000	0.01
28.	Mr. Sajjan Jindal	2,620	0.00
29.	Prithvi Raj Jindal HUF	1,500	Negligible
30.	S. K. Jindal & Sons HUF	1,500	Negligible
31.	R. K. Jindal & Sons HUF	1,500	Negligible
32.	Naveen Jindal & Sons HUF	1,500	Negligible
33.	Mr. Puran Chand Sharma	100	Negligible
	TOTAL	**74,830,300**	**100.00**

Financial performance of SIPL

(Rs. in million, except share data)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Sales & Other Income	469.28	207.27	912.68
PAT	180.85	40.87	771.69
Equity Capital	748.30	748.30	748.30
Reserves	2,794.97	2,614.12	2,573.24
EPS(Rs.)	2.42	0.55	10.63
Book Value per share (Rs.)	47.35	44.93	44.39

Other information

SIPL is an unlisted company. It is neither a sick company within the meaning of SICA nor is it under winding up.

We confirm that the permanent account number, bank account number, company registration number and the address of the RoC where SIPL is registered have been submitted to BSE and NSE at the time of filing the Draft Red Herring Prospectus with them.

Interests of Promoters and Common Pursuits

Our Promoters are interested in our Company to the extent that they have promoted our Company, their shareholding in our Company and to the extent of their being directors in our Company.

Our Group Companies, JSWSL, JSPL, JSL and JSLL own and operate captive power plants. To that extent, these promoter companies may have a conflict of interest.

Further, our individual Promoters are also directors on the boards of or members of certain Group Companies and they may be deemed to be interested to the extent of the payments made by our Company, if any, to these Group Companies.

Except as stated otherwise in this Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Red Herring Prospectus in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

Also see "Our Management – Interests of our Directors" on page 160 of this Red Herring Prospectus.

Further, except as disclosed in the sections titled "Our Promoters and Group Companies" on page 165 of this Red Herring Prospectus, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by us.

Confirmations

None of our Promoters has been declared a wilful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by the Promoters in the past or are pending against them.

Payment of benefits to our Promoters

Except as stated in the section "Financial Statements - Related Party Transactions" on page 203 of this Red Herring Prospectus, there has been no payment of benefits to our Promoters during the two years prior to the filing of this Red Herring Prospectus.

Group Companies

A. Listed Group Companies

1. **Jindal Steel & Power Limited** ("JSPL") was incorporated on September 28, 1979. It is in the business of manufacture of sponge iron, steel products and generation of power. The Promoters of JSWEL have 9.83% interest in this company.

Financial performance of JSPL (Standalone)

(Rs. in million, except share data)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Sales & Other Income	77,994.30	54,598.7	35,487.80
PAT	15,364.80	12,369.6	7,029.90
Equity Capital	154.70	154.00	154.00
Reserves	53,716.61	37,088.6	24,620.10
Miscellaneous Expenditure to the extent not written off	30.15	31.40	32.40
EPS(Rs.) i) Basic	99.44	80.34	45.66
ii) Diluted	98.58	78.24	45.06
Book Value per share (Rs.)	348.10	241.76	160.77

Financial performance of JSPL (Consolidated)

(Rs. in million, except share data)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Sales & Other Income	109,133.70	55,387.30	35,488.00
PAT	30,457.20	12,740.20	7,059.50
Equity Capital	154.70	154.00	154.00
Reserves	70,078.30	38,082.60	25,243.30
Miscellaneous Expenditure to the extent not written off	31.40	968.60	32.40
EPS(Rs.) i) Basic	194.63	81.26	45.85
ii) Diluted	192.94	79.13	45.23
Book Value per share (Rs.)	454.00	242.13	164.81

Details of listing and highest and lowest market price during the preceding six months

Equity shares of JSPL are listed on BSE and NSE.

Monthly high and low of closing prices of the equity shares of JSPL at BSE and NSE:

Month	BSE		NSE	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
May 2009	2,181.70	1,564.95	2,186.00	1,564.00
June 2009	2,629.95	2,218.85	2,626.10	2,225.65
July 2009	3,117.45	2,367.70	3,118.60	2,371.55
August 2009	3,260.70	2,698.00	3,266.10	2,699.90
September 2009	637.52*	518.70**	637.44*	518.66**
October 2009	715.55	592.30	715.15	593.25

(Source: BSE and NSE websites)

* JSPL has issued bonus shares in the ratio 5:1 on September 19, 2009.

** Weighted average share prices considered

The closing share price of JSPL on BSE was Rs. 722.60 as of November 20, 2009.

The closing share price of JSPL on NSE was Rs. 723.60 as of November 20, 2009.

The market capitalization of JSPL on BSE was Rs. 672,582.35 million as of November 20, 2009.

The market capitalization of JSPL on NSE was Rs. 673,513.13 million as of November 20, 2009.

This company is not under winding up and does not have a negative networth.

2. **JSW Steel Limited** ("JSWSL") was incorporated on March 15, 1994 and is in the business of manufacture of steel. The Promoters of JSWEL have 7.45% interest in this company.

Financial performance of JSWSL (Standalone)

(Rs. in million, except share data)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Sales & Other Income	142,608.10	115,722.50	86,995.90
PAT	4,585.00	17,281.90	12,920.00
Equity Capital	1,870.50	1,870.50	1,639.80
Reserves	74,222.40	71,402.40	50,682.50
Miscellaneous Expenditure to the extent not written off	-	-	1,948.70
EPS(Rs.) i) Basic	22.70	95.26	80.11
ii) Diluted	22.70	94.18	78.88
Book Value per share (Rs.)	410.07	394.99	312.24

Financial performance of JSWSL (Consolidated)

(Rs. in million, except share data)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Sales & Other Income	162,065.00	126,103.50	86,995.90
PAT	2,749. 10	16,400.40	13,038.90
Equity Capital	1,870.50	1,870.50	1,639.80
Reserves	72,669.40	73,518.30	51,330.20
Miscellaneous Expenditure to the extent not written off	-	-	1,950.10
EPS(Rs.) i) Basic	12.88	90.30	80.86
ii) Diluted	12.88	89.26	79.62
Book Value per share (Rs.)	401.77	406.31	316.19

Details of listing and highest and lowest market price during the preceding six months

Equity shares of JSWSL are listed on BSE and NSE.

Monthly high and low closing prices of the equity shares of JSWSL at BSE and NSE:

Month	BSE		NSE	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
May 2009	567.30	361.75	553.15	362.65
June 2009	706.65	508.60	707.30	509.50
July 2009	484.10	697.50	485.25	697.75
August 2009	672.45	745.20	672.80	744.60
September 2009	665.70	841.90	663.70	840.95
October 2009	922.75	716.70	923.15	715.75

(Source: BSE and NSE websites)

The closing share price of JSWSL on BSE was Rs. 957.85 as of November 20, 2009.

The closing share price of JSWSL on NSE was Rs. 958.85 as of November 20, 2009.

The market capitalisation of JSWSL on BSE was Rs. 179,164.88 million as of November 20, 2009.

The market capitalisation of JSWSL on NSE was Rs. 179,351.93 million as of November 20, 2009.

This company is not under winding up and does not have a negative networth.

3. **Jindal Saw Limited** ("JSL") was incorporated on October 31, 1984 and is in the business of manufacture and sale of large diameter saw pipes, seamless tubes and pipes and ductile iron pipes. The Promoters of JSWEL have 1.25% interest in this company.

Financial performance of JSL (Standalone)*

(Rs. in million, except share data)

Particulars	Fiscal 2008***	Fiscal 2007**	Fiscal 2006*
Sales & Other Income	50,132.52	67,967.53	38,734.51
PAT	3,329.46	8,763.82	1,762.01
Equity Capital	521.23	511.43	483.65
Reserves	21,772.90	18,338.66	8,718.03
Revaluation Reserves	86.00	126.85	169.47
EPS(Rs.) i) Basic	62.45	177.63	34.67
ii) Diluted	60.82	161.23	33.20
Book Value per share (Rs.)[@]	426.07	366.09	186.75

* *The financial year of JSL was October – September.*
** *The financial year of JSL was October – December (15 months).*

**** The financial year of JSL was January – December (12 months).*
@ *Book value has been calculated without considering Revaluation Reserve.*

Financial performance of JSL (Consolidated)

(Rs. in million, except share data)

Particulars	Fiscal 2008***	Fiscal 2007**	Fiscal 2006*
Sales & Other Income	53,688.16	74,695.97	39,012.69
PAT	3,196.87	13,350.25	1,652.62
Equity Capital	521.23	511.43	483.65
Reserves	26,554.12	22,238.20	8,031.14
Revaluation Reserves	86.00	126.85	169.47
EPS(Rs.) i) Basic	59.37	270.68	32.37
ii) Diluted	56.84	245.70	31.00
Book Value per share (Rs.)@	517.81	442.35	172.55

* *The financial year of JSL was October – September.*
** *The financial year of JSL was October – December (15 months).*
*** *The financial year of JSL was January – December (12 months).*
@ *Book value has been calculated without considering Revaluation Reserve*

Details of listing and highest and lowest market price during the preceding six months

Equity shares of JSL are listed on BSE and NSE.

Monthly high and low closing prices of the equity shares of JSL at BSE and NSE:

Month	BSE		NSE	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
May 2009	377.00	227.90	377.35	226.55
June 2009	449.95	354.85	450.05	352.85
July 2009	486.85	337.15	486.90	336.95
August 2009	579.00	486.05	578.80	487.80
September 2009	755.05	524.95	754.35	524.65
October 2009	822.15	690.45	822.60	691.20

(Source: BSE and NSE websites)

The closing share price of JSL on BSE was Rs. 872.20 as of November 20, 2009.

The closing share price of JSL on NSE was Rs. 872.40 as of November 20, 2009.

The market capitalisation of JSL on BSE was Rs. 45,460.81 million as of November 20, 2009.

The market capitalisation of JSL on NSE was Rs. 45,471.23 million as of November 20, 2009.

This company is not under winding up and does not have a negative networth.

4. **JSL Limited (Formerly Jindal Stainless Limited)** ("JSLL") was incorporated on September 29, 1980 and is in the business of manufacture of stainless steel. The Promoters of JSWEL have 5.87% interest in this company.

Financial performance of JSLL (Standalone)

(Rs. in million , except share data)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Sales & Other Income	48,731.07	52,023.33	48,964.37
PAT	(5,798.20)	2,411.67	3,530.06
Equity Capital	324.27	309.17	276.44
Reserves	12,579.05	17,571.40	13,741.28
Miscellaneous Expenditure to the extent not written off	283.22	158.75	23.06
EPS(Rs.): Basic	(35.87)	16.70	26.76

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Diluted	(35.87)	14.98	23.35
Book Value per share (Rs.)	77.84	114.64	101.25

Financial performance of JSLL (Consolidated)

(Rs. in million, except share data)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Sales & Other Income	53,265.57	53,723.13	49,964.50
PAT	(6,084.05)	2,665.39	3,371.13
Equity Capital	324.27	309.17	276.44
Reserves	12,383.87	17,585.68	13,551.72
Miscellaneous Expenditure to the extent not written off	367.75	161.79	25.13
EPS(Rs.): Basic	(37.64)	18.46	25.56
Diluted	(37.64)	16.57	22.30
Book Value per share (Rs.)	76.11	114.89	99.86

Details of listing and highest and lowest market price during the preceding six months

Equity shares of JSLL are listed on BSE and NSE.

Monthly high and low closing prices of the equity shares of JSLL at BSE and NSE:

Month	BSE		NSE	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
May 2009	95.20	58.95	95.00	58.35
June 2009	96.20	75.25	95.85	75.55
July 2009	85.25	60.90	85.35	60.50
August 2009	82.15	74.55	81.90	74.50
September 2009	87.70	77.20	88.20	77.15
October 2009	114.45	97.95	113.80	97.85

(Source: BSE and NSE websites)

The closing share price of JSLL on BSE was Rs. 113.60 as of November 20, 2009.

The closing share price of JSLL on NSE was Rs. 113.75 as of November 20, 2009.

The market capitalisation of JSLL on BSE was Rs. 18,418.54 million as of November 20, 2009.

The market capitalisation of JSLL on NSE was Rs. 18,442.86 million as of November 20, 2009.

This company is not under winding up and does not have a negative networth.

5. **Jindal South West Holdings Limited** ("JSWHL") was incorporated on July 12, 2001. JSWHL is a Non-Banking Financial Company holding a valid certificate of Registration (No. 14.03121 dated June 11, 2007) under section 45 I-A of the Reserve Bank of India Act, 1934 and is mainly engaged in investment activities. The Promoters of JSWEL have 3.36% interest in this company.

Financial performance of JSWHL

(Rs. in million, except share data)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Dividend, Interest & Other Income	408.79	57.79	392.06
PAT	363.46	33.37	393.74
Equity Capital	110.99	110.99	110.99
Reserves	6,063.60	5,700.14	5,666.77
Miscellaneous Expenditure to the extent not written off	Nil	Nil	Nil
EPS(Rs.): Basic	32.75	3.01	35.47
Diluted	32.75	3.01	35.47

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Book Value per share (Rs.)	556.32	523.54	520.54

JSWHL did not have any subsidiary as at March 31, 2009. Hence, no consolidated figures are given.

Details of listing and highest and lowest market price during the preceding six months

Equity shares of JSWHL are listed on BSE, DSE and NSE.

Monthly high and low closing prices of the equity shares of JSWHL at BSE and NSE:

Month	BSE		NSE	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
May 2009	521.75	389.40	522.55	390.00
June 2009	834.00	562.70	834.80	561.75
July 2009	851.90	585.35	848.10	585.10
August 2009	1,130.75	784.30	1,131.75	786.05
September 2009	1,618.30	1,025.20	1,620.00	1,024.15
October 2009	1,858.70	1,426.80	1,853.55	1,418.65

(Source: BSE and NSE websites)

The closing share price of JSWHL on BSE was Rs. 2,022.25 as of November 20, 2009.

The closing share price of JSWHL on NSE was Rs. 2,016.90 as of November 20, 2009.

The market capitalisation of JSWHL on BSE was Rs. 22,446.98 million as of November 20, 2009.

The market capitalisation of JSWHL on NSE was Rs. 22,387.59 million as of November 20, 2009.

This company is not under winding up and does not have a negative networth.

None of the above companies has made a public or a rights issue in the preceding three years.

B. Group Companies which has become a sick industrial company, is under winding up or has a negative networth

Except as disclosed below, none of our Group Companies are under winding up or have a negative networth.

1. **Kamshet Investments Private Limited** is a company incorporated in India on November 16, 1994. It is in the business of making investments. The Promoters of JSWEL control the companies which hold shares in this company.

*Financial Information**

(Rs. in million, except share data)

Particulars	Fiscal 2008***	Fiscal 2007**	Fiscal 2006**
Equity Capital	80.66	80.66	80.66
Reserves	-	-	-
Book Value per share (Rs.)	(25.15)	(25.17)	(24.99)

* Financial year ending June 30

** Significant Notes:

i. The company has accumulated losses at the end of the financial year exceeding 50% of its net worth. The company has incurred cash loss during the financial year under report and in the immediately preceding financial year.

*** Significant Notes:

i. The accumulated losses of the company, at the end of the financial year are more than 50% of its net worth. The company has incurred cash loss during the year under report as also in the immediately preceding financial year.

2. **Nalwa Chrome Private Limited** is a company incorporated in India on September 2, 1985. It is in the business of manufacturing ferro-alloys and steel products. The Promoters of JSWEL have 49.90% interest in this company.

Financial Information

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

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity Capital	0.10	0.10	0.10
Reserves	0	0	0
Miscellaneous Expenditure to the extent not written off	0	0.02	0.05
Book Value per share (Rs.)	(8.45)	(7.91)	(7.48)

3. **Argil Properties Private Limited** is a company incorporated in India on July 6, 1994. It is in the business of real estate. The Promoters of JSWEL control the companies which hold shares in this company.

Financial Information

(*Rs. In million, except share data)*

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity Capital	0.2702	0.2702	0.2702
Reserves	-	-	-
Book Value per share (Rs.)	(33.14)	(24.24)	(14.67)

4. **Wachovia Investments Private Limited** is a company incorporated in India on November 16, 994. It is in the business of making investments. The Promoters of JSWEL control the companies which hold shares in this company.

*Financial Information**

(*Rs. In million, except share data)*

Particulars	Fiscal 2008#	Fiscal 2007***	Fiscal 2006**
Equity Capital	62.10	62.10	62.10
Reserves	-	-	-
Book Value per share (Rs.)	(22.52)	(22.59)	(22.75)

* Financial year ending June 30

** Significant Notes:

i. The company has accumulated losses at the end of the financial year exceeding 50% of its net worth. The company has incurred cash loss during the financial year under report and cash profit in the immediately preceding financial year.

*** Significant Notes:

i. The company has accumulated losses at the end of the financial year exceeding 50% of its net worth. The company has not incurred cash loss during the financial year under report however, in the immediately preceding financial year company has incurred cash loss.

\# Significant Notes:

i. The company has accumulated losses at the end of the financial year exceeding 50% of its net worth. The company has not incurred cash loss during the financial year under report and in the immediately preceding financial year.

5. **Art India Publishing Company Private Limited** is a company incorporated in India on April 22, 1996. It is in the business of publishing of magazines. The Promoters of JSWEL have 99.00% interest in this company.

Financial Information

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

Particulars	Fiscal 2009***	Fiscal 2008**	Fiscal 2007*
Equity Capital	0.202	0.202	0.202
Reserves	-	-	-
Book Value per share (Rs.)	(223.65)	(131.84)	(146.96)

* Significant Notes:

i. The company has accumulated losses at the end of the financial year exceeding 50% of its net worth. The company has incurred cash loss during the financial year under report. However, in the immediately preceding financial year company has not incurred cash loss.

** Significant Notes:

i. The company has accumulated losses at the end of the financial year exceeding 50% of its net worth. The company has not incurred cash loss during the financial year under report. The company has incurred cash loss in the immediately preceding financial year.

*** Significant Notes:

i. The company has accumulated losses at the end of the financial year exceeding 50% of its net worth. The company has incurred cash loss during the financial year under report. However, in the immediately preceding financial year the company has made cash profit.

6. **Portfolio Fashions Private Limited** is a company incorporated in India on January 20, 2006. It is in the business of trading in apparels and related accessories. The Promoters of JSWEL have 10.00% interest in this company.

Financial Information

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

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity Capital	0.10	0.10	0.10
Reserves	0	0	0
Miscellaneous Expenditure to the extent not written off	0	0.007	0.009
Book Value per share (Rs.)	(4,289.31)	(1,788.61)	9.13

7. **Manjula Finances Limited** is a company incorporated in India on February 1, 1995. It is in the business of making investments. The Promoters of JSWEL have 0.06% interest in this company.

Financial Information

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

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Sales & Other Income	8.01	9.88	27.19
PAT	(13.22)	(11.06)	(16.48)
Equity Capital	226.75	226.75	226.75
Reserves	-	-	-
EPS (Basic and Diluted)	(0.58)	(0.49)	(0.73)
Book Value per share (Rs.)	(0.17)	0.42	0.91

8. **Goswamis Credit Company & Investment Limited** is a company incorporated in India on January 1, 1995. It is in the business of making investments. The Promoters of JSWEL have 0.07% interest in this company.

Financial Information

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

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Sales & Other Income	5.88	6.49	8.15
PAT	(17.20)	(11.38)	(11.30)
Equity Capital	187.22	187.22	187.22
Reserves	-	-	-
EPS (Basic and Diluted)	(0.92)	(0.61)	(0.60)
Book Value per share (Rs.)	(2.45)	(1.53)	(0.92)

9. **Rohit Tower Building Limited** is a company incorporated in India on June 6, 1971. It is in the business of real estate. The Promoters of JSWEL have 4.67% interest in this company.

Financial Information

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

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Sales & Other Income	1.99	1.98	2.03
PAT	(0.88)	(1.82)	(2.97)
Equity Capital	2.40	2.40	2.40
Reserves	-	-	-

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Sales & Other Income	1.99	1.98	2.03
PAT	(0.88)	(1.82)	(2.97)
EPS (Basic and Diluted)	(36.43)	(75.68)	(123.34)
Book Value per share (Rs.)	(668.27)	(631.84)	(556.16)

10. **Bir Plantations Private Limited** is a company incorporated in India on November 23, 1994. It is in the business of real estate. The Promoters of JSWEL have 39.98% interest in this company.

Financial Information

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

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Sales & Other Income	1.10	1.08	1.33
PAT	(0.08)	0.04	(0.14)
Equity Capital	0.50	0.50	0.50
Reserves	-	-	-
EPS	(1.53)	0.84	0.29
Book Value per share (Rs.)	(219.43)	(217.90)	(218.76)

11. **Supreme Metals Limited** is a company incorporated outside India on February 14, 2006. It is in the business of making investments. The Promoters of JSWEL have 100.00% interest in this company.

Financial Information

(in USD)

Particulars	Fiscal 2008*	Fiscal 2007*	Fiscal 2006*
Sales & Other Income	-	89	-
PAT	(3,354)	(9,997)	(8,316)
Equity Capital	6,850	6,850	6,850
Reserves	-	-	-
EPS (Basic and Diluted)	(4.90)	(14.59)	(12.14)
Book Value per share	(21.63)	(16.73)	(2.14)

* Financial year ending December 31

12. **Inversion Eroush Limitada** is a company incorporated in Chile on November 30, 2007. It is in the business of acquisition and investments in steel related and steel allied businesses. The Promoters of JSWEL have 7.45% interest in this company.

Financial Information

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

Particulars	Fiscal 2009	Fiscal 2008
Sales & Other Income	-	4.80
PAT	(31.90)	(2.70)
Equity Capital	2.10	1.70
Reserves	(10.40)	(23.30)
EPS (Basic and Diluted)	0.00	0.00
Book Value per share	0.00	0.00

13. **Jindal Saw USA LLC** is a company incorporated in the United States of America on July 18, 2007**.** It is in the business of steel pipe double jointing and pipe coating. The Promoters of JSWEL have 1.25% interest in this company.

Financial Information

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

Particulars	Fiscal 2008*	Fiscal 2007*
Sales & Other Income	745.51	2.05
PAT	(246.00)	2.05
Equity Capital	48.52	39.40
Reserves (Net of Misc. Expenditure)	(243.49)	2.05
EPS (Basic and Diluted)	(246.00)	2.05
Book Value per share	(194.97)	41.45

* Financial year ending December 31.

C. *Other Group Companies*

1. **Maharashtra Sponge Iron Limited** is a company incorporated in India. It is in the business of manufacturing sponge iron and steel products. The Promoters of JSWEL have 49.98% interest in this company.

2. **JSW Natural Resources India Limited** is a company incorporated in India. It is in the business of mining activities. The Promoters of JSWEL have 49.50% interest in this company.

3. **JSW Imagineering Private Limited** is a company incorporated in India. It is in the business of filmmaking, processing, distribution etc. The Promoters of JSWEL have 50.00% interest in this company.

4. **Jindal Coated Steel Private Limited** is a company incorporated in India. It is in the business of manufacturing organic coated steel. The Promoters of JSWEL have 50.00% interest in this company.

5. **Meredith Traders Private Limited** is a company incorporated in India. It is in the business of making investments. The Promoters of JSWEL have 0.01% direct interest in this company, but indirectly control this company.

6. **Gagan Trading Company Limited** is a company incorporated in India carrying. It is in the business of making investments and providing consultancy services. The Promoters of JSWEL have 39.59% interest in this company.

7. **Vrindavan Services Private Limited** is a company incorporated in India. It is in the business of making investments and providing consultancy services. The Promoters of JSWEL have 21.71% interest in this company.

8. **JSW Cement Limited** is a company incorporated in India. It is in the business of manufacturing cement. The Promoters of JSWEL have 99.88% interest in this company.

9. **Nalwa Sons Investments Limited** is a company incorporated in India. It is in the business of making investments. The Promoters of JSWEL have 10.08% interest in this company.

10. **Sapphire Technologies Limited** is a company incorporated in India. It is in the business of conducting online auctions of steel products. The Promoters of JSWEL control the companies which hold shares in this company.

11. **Sapphire Airlines Private Limited** is a private limited company incorporated in India. It is in the business of operating and renting of aircrafts. The Promoters of JSWEL have 50.00% interest in this company.

12. **Aras Overseas Private Limited** is a company incorporated in India. It is in the business of making investments. The Promoters of JSWEL control the companies which hold shares in this company.

13. **Batlimore Trading Private Limited** is a company incorporated in India. It is in the business of making investments. The Promoters of JSWEL control the companies which hold shares in this company.

14. **Musuko Trading Private Limited** is a company incorporated in India. It is in the business of making investments. The Promoters of JSWEL control the companies which hold shares in this company.

15. **Windsor Residency Private Limited** is a company incorporated in India. It is in the business of real estate. The Promoters of JSWEL have 99.00% interest in this company.

16. **JSW Projects Limited** is a company incorporated in India. It is in the business of setting up industrial projects. The Promoters of JSWEL have 99.00% interest in this company.

17. **IUP Jindal Metals & Alloys Limited** is a company incorporated in India. It is in the business of manufacturing precision stainless products, stainless products and nickel alloy products. The Promoters of JSWEL have 0.91% interest in this company.

18. **Jindal ITF Limited** is a company incorporated in India. It is in the business of infrastructure development, transportation and fabrication including road, rail network, bridges, airport, developing of any land, area, special economic zone. The Promoters of JSWEL have 1.25% interest in this company.

19. **Jindal Water Infrastructure Limited** is a company incorporated in India. It is in the business of developing, supplying, operating and maintaining potable water and wastewater systems in India. The Promoters of JSWEL have 1.26% interest in this company.

20. **Jindal Rail Infrastructure Limited** is a company incorporated in India. It is in the business of manufacturing railways wagon with technologically advanced fabrication equipment. The Promoters of JSWEL have 1.25% interest in this company.

21. **Jindal Urban Infrastructure Limited** is a company incorporated in India. It is in the business of developing urban infrastructure including, inter alia building, constructing, reconstructing, altering and decorating of any land, area or special economic zone in the urban area. The Promoters of JSWEL have 1.25% interest in this company.

22. **Jindal Shipyards Limited** is a company incorporated in India. It is in the business of shipbuilding and ship repair, designing and manufacturing of barges. The Promoters of JSWEL have 1.25% interest in this company.

23. **Jindal Infralogistics Limited** is a company incorporated in India. It is in the business of transportation of goods, passenger, articles or things on all routes and lines on national and international level through all sorts of carriers. The Promoters of JSWEL have 1.23% interest in this company.

24. **Jindal Intellicom Private Limited** is a company incorporated in India. It is in the business of providing call center services. The Promoters of JSWEL have 2.19% interest in this company.

25. **Jindal ESIPL CETP (Sitarganj) Limited** is a company incorporated in India. It is in the business of development, operation and maintenance of the CETP at industrial park. The Promoters of JSWEL have 0.64% interest in this company.

26. **Timarpur-Okhla Waste Management Company Private Limited** is a company incorporated in India. It is in the business of maintaining or improving the system or working of any industry in the area of processing of municipal waste by technologies. The Promoters of JSWEL have 1.25% interest in this company.

27. **JSW Bengal Steel Limited** is a company incorporated in India. It is in the business of setting up an integrated Steel plant in the State of West Bengal. The Promoters of JSWEL have 7.37% interest in this company.

28. **Barbil Beneficiation Company Limited** is a company incorporated in India. It is in the business of setting up a beneficiation plant in the state of West Bengal. The Promoters of JSWEL have 7.37% interest in this company.

29. **JSW Steel Processing Centers Limited** is a company incorporated in India. It is in the business of cutting and slitting of Steel plates. The Promoters of JSWEL have 7.45% interest in this company.

30. **JSW Building Systems Limited** is a company incorporated in India. It is in the business of manufacturing steel structures. The Promoters of JSWEL have 7.45% interest in this company.

31. **JSW Steel (Netherlands) B.V.** is a company incorporated in Netherlands. It is in the business of acquisition and investments in steel related and steel allied businesses and trading in steel products. The Promoters of JSWEL have 7.45% interest in this company.

32. **JSW Natural Resources Limited** is a company incorporated in Mauritius. It is in the business of acquisition and investments in steel related and steel allied businesses. The Promoters of JSWEL have 7.45% interest in this company.

33. **JSW Steel UK Limited** is a company incorporated in United Kingdom. It is in the business of acquisition and investments in steel related and steel allied businesses. The Promoters of JSWEL have 7.45% interest in this company.

34. **Argent Independent Steel (Holdings) Limited** is a company incorporated in United Kingdom. It is in the business of acquisition and investments in steel related and steel allied businesses and trading in steel products. The Promoters of JSWEL have 7.45% interest in this company.

35. **JSW Panama Holdings Corporation** is a company incorporated in Panama. It is in the business of acquisition and investments in steel related and steel allied businesses. The Promoters of JSWEL have 7.45% interest in this company.

36. **JSW Steel Holdings (USA) Inc.** is a company incorporated in United States of America. It is in the business of acquisition and investments in steel related and steel allied businesses. The Promoters of JSWEL have 7.45% interest in this company.

37. **JSW Natural Resources Mozambique Lda** is a company incorporated in Mozambique. It is in the business of setting up coal mines in Mozambique. The Promoters of JSWEL have 7.45% interest in this company.

38. **JSW Service Centers (UK) Limited** is a company incorporated in United Kingdom. It is in the business of cutting and slitting of steel plates. The Promoters of JSWEL have 7.45% interest in this company.

39. **JSW Steel (USA) Inc.** is a company incorporated in United States of America. It is in the business of manufacturing of steel plates and pipes. The Promoters of JSWEL, through JSWSL have 6.71% interest in this company.

40. **Santa Fe Mining** is a company incorporated in Chile. It is in the business of setting up of and operating iron ore mines in Chile. The Promoters of JSWEL have 5.22% interest in this company.

41. **Santa Fe Puerto S.A.** is a company incorporated in Chile. It is in the business of setting up of and operating of ports in Chile. The Promoters of JSWEL have 5.22% interest in this company.

42. **Renuka Financial Services Limited** is a company incorporated in India. It is in the business of investments and finance. The Promoters of JSWEL have 0.07% interest in this company.

43. **Everplus Securities and Finance Limited** is a company incorporated in India. It is in the business of investments and finance. The Promoters of JSWEL have 0.10% interest in this company.

44. **OPJ Investments and Holdings Limited** is a company incorporated in India. It is in the business of investments and finance. The Promoters of JSWEL have 99.90% interest in this company.

45. **Jindal Mansarovar Investments Private Limited** is a company incorporated in India. It is in the business of investments and finance. The Promoters of JSWEL have 99.90% interest in this company.

46. **Sun Fintrade Private Limited** is a company incorporated in India. It is in the business of investments and finance. The Promoters of JSWEL have 99.99% interest in this company.

47. **Stainless Finance and Investments Private Limited** is a company incorporated in India. It is in the business of investments and finance. The Promoters of JSWEL have 99.99% interest in this company.

48. **Hisar Fincap Private Limited** is a company incorporated in India. It is in the business of investments and finance. The Promoters of JSWEL control the companies which hold shares in this company.

49. **Jindal South West Finance Investments Private Limited** is a company incorporated in India. It is in the business of investments and finance. The Promoters of JSWEL have 99.90% interest in this company.

50. **Vrindavan Fintrade Limited** is a company incorporated in India. It is in the business of investments and finance. The Promoters of JSWEL have 99.90% interest in this company.

51. **Nalwa Fincap Limited** is a company incorporated in India. It is in the business of investments and finance. The Promoters of JSWEL have 99.90% interest in this company.

52. **Jindal Synergy Investments Limited** is a company incorporated in India. It is in the business of investments and finance. The Promoters of JSWEL have 99.90% interest in this company.

53. **Salasar Finvest Limited** is a company incorporated in India. It is in the business of investments and finance. The Promoters of JSWEL have 99.88% interest in this company.

54. **Nalwa Financial Services Limited** is a company incorporated in India. It is in the business of investments and finance. The Promoters of JSWEL have 99.86% interest in this company.

55. **Jindal Consultancy Services** is a company incorporated in India. It is in the business of providing manpower services. The Promoters of JSWEL have 0.20 % interest in this company.

56. **Jindal Equipment Leasing & Consultancy Services Limited** is a company incorporated in India. It is in the business of investments and finance. The Promoters of JSWEL have 8.25% interest in this company.

57. **Mansarovar Investments Limited** is a company incorporated in India. It is in the business of investments and finance. The Promoters of JSWEL have 0.77% interest in this company.

58. **Nalwa Investments Limited** is a company incorporated in India. It is in the business of investments and finance. The Promoters of JSWEL have 22.35% interest in this company.

59. **Sonabheel Tea Limited** is a company incorporated in India. It is in the business of tea plantations. The Promoters of JSWEL have 15.57% interest in this company.

60. **Stainless Investments Limited** is a company incorporated in India. It is in the business of investments and finance. The Promoters of JSWEL have 1.66% interest in this company.

61. **JSW Energy Investments Private Limited** is a company incorporated in India. It is in the business of making investments. The Promoters of JSWEL have 79.39% interest in this company.

62. **JSW Infrastructure Limited** is a company incorporated in India. It is in the business of providing infrastructure facilities. The Promoters of JSWEL have 71.39% interest in this company.

63. **JSW Jaigarh Port Limited** is a company incorporated in India. It is in the business of providing port services. The Promoters of JSWEL have 71.39% interest in this company.

64. **JSW Jaigarh Infrastructure Development Private Limited** is a company incorporated in India. It is in the business of providing port services. The Promoters of JSWEL have 71.39% interest in this company.

65. **JSW Shipyard Private Limited** is a company incorporated in India. It is in the business of ship building and ship repairs. The Promoters of JSWEL have 71.39% interest in this company.

66. **JSW Aluminium Limited** is a company incorporated in India. It is in the business of manufacturing Alumina/Aluminium and metal. The Promoters of JSWEL have 86.70% interest in this company.

67. **Vijayanagar Minerals Private Limited** is a company incorporated in India. It is in the business of exploration, mining and processing of high grade iron ore. The Promoters of JSWEL have 15.00% interest in this company.

68. **JSOFT Solutions Limited** is a company incorporated in India. It is in the business of ITES / IT Industry. The Promoters of JSWEL have 99.02% interest in this company.

69. **South West Port Limited** is a company incorporated in India. It is in the business of providing port services. The Promoters of JSWEL control the companies which hold shares in this company.

70. **JSW Service Center (UK) Limited** is a company incorporated in United Kingdom. It is in the business of cutting and slitting of steel plates. The Promoters of JSWEL have 7.45% interest in this company.

71. **Banabridge Holdings Limited** is a company incorporated in Cyprus. It is in the business of making investments. The Promoters of JSWEL have 100.00% interest in this company.

72. **Portview Investments Limited** is a company incorporated in Cyprus. It is in the business of making investments. The Promoters of JSWEL have 100.00% interest in this company.

73. **Jindal Waterways Limited** is a company incorporated in India. It is in the business of manufacturing water pipes. The Promoters of JSWEL have 1.25% interest in this company.

74. **Highgate Consultants Limited** is a company incorporated in India. It is in the business of public relations and human resources. The Promoters of JSWEL have 1.25% interest in this company.

75. **Jargo Investments Limited** is a company incorporated in Cyprus. It is in the business of making investments. The Promoters of JSWEL have 100.00% interest in this company.

76. **Mendeza Holdings Limited** is a company incorporated in Cyprus. It is in the business of making investments. The Promoters of JSWEL have 100.00% interest in this company.

77. **Nacho Investments Limited** is a company incorporated in Cyprus. It is in the business of making investments. The Promoters of JSWEL have 100.00% interest in this company.

78. **Sarmento Holdings Limited** is a company incorporated in Cyprus. It is in the business of making investments. The Promoters of JSWEL have 100% interest in this company.

79. **Vavasa Investments Limited** is a company incorporated in Cyprus. It is in the business of making investments. The Promoters of JSWEL have 100.00% interest in this company.

80. **Beaufield Holdings Limited** is a company incorporated in Mauritius. It is in the business of making investments. The Promoters of JSWEL have 100.00% interest in this company.

81. **Estrela Investment Company Limited** is a company incorporated in Mauritius. It is in the business of making investments. The Promoters of JSWEL have 100.00% interest in this company.

82. **Heston Securities Limited** is a company incorporated in Mauritius. It is in the business of making investments. The Promoters of JSWEL have 100.00% interest in this company.

83. **Pentel Holding Limited** is a company incorporated in Mauritius. It is in the business of making investments. The Promoters of JSWEL have 100.00% interest in this company.

84. **Templar Investments Limited** is a company incorporated in Mauritius. It is in the business of making investments. The Promoters of JSWEL have 100% interest in this company.

85. **SKJ Investments Limited** is a company incorporated in Cyprus. It is in the business of making investments. The Promoters of JSWEL have 100.00% interest in this company.

86. **Jindal Technologies & Management Services Limited** is a company incorporated in India. It is in the business of providing management and engineering consultancy services. The Promoters of JSWEL have 50.00% interest in this company.

87. **Tamil Nadu Iron Ore & Mining Corporation Limited** is a company incorporated in India. It is in the business of mining. The Promoters of JSWEL have 49.60% interest in this company.

88. **Rohne Coal Company Private Limited** is a company incorporated in India. It is in the business of coal mining. The Promoters of JSWEL have 20.01% interest in this company.

89. **JSW Realty & Infrastructure Private Limited** is a company incorporated in India. It is in the business of real estate. The Promoters of JSWEL have 50.00% interest in this company.

90. **Nalwa Engineering Company Limited** is a company incorporated in India. It is in the business of trading and investment. The Promoters of JSWEL have 9.62% interest in this company.

91. **Jindal Industries Limited** is a company incorporated in India. It is in the business of manufacturing steel products. The Promoters of JSWEL have 15.60% interest in this company.

92. **JSW Jharkhand Steel Limited** is a company incorporated in India. It is in the business of setting up an integrated Steel plant in the state of Jharkhand. The Promoters of JSWEL have 7.45% interest in this company.

93. **Hexa Securities & Finance Company Limited** is a company incorporated in India. It is in the business of securities and finance. The Promoters of JSWEL have 1.25% interest in this company.

94. **Jindal Holdings Limited** is a company incorporated in India. It is in the business of making investments. The Promoters of JSWEL have 8.72% interest in this company.

95. **Abhinandan Investments Limited** is a company incorporated in India. It is in the business of investments and finance. The Promoters of JSWEL have 15.71% interest in this company.

96. **Nalwa Farms Private Limited** is a company incorporated in India. It is in the business of real estate. The Promoters of JSWEL have 1.00% interest in this company.

97. **Jindal Strips (I) Limited** is a company incorporated in India. It is in the business of investment and finance. The Promoters of JSWEL have 0.40% interest in this company.

98. **Gagan Sponge Iron Limited** is a company incorporated in India. It is in the business of trading, mining and investments. The Promoters of JSWEL have 0.02% interest in this company.

99. **Skyweb Infotech Limited** is a company incorporated in India. It is in the business of IT related activities. The Promoters of JSWEL control the companies which hold shares in this company.

100. **Dorelan Holdings Limited** is a company incorporated in Cyprus. It is in the business of investments. The Promoters of JSWEL have 100% interest in this company.

Other Confirmations

Further, our Promoters and Group Companies have further confirmed that they have not been declared as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them.

Additionally, none of the Promoters or Group Companies have been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities.

Litigation

For details relating to the legal proceeding involving the Promoters and five listed Group Companies, see "Outstanding Litigation and Defaults" on page 355 of the Red Herring Prospectus.

Common Pursuits

Some of our Group Companies have common pursuits and are involved in the business of construction and maintenance of power projects and generation of power. We shall adopt necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise. For, further details on the related party transactions, to the extent of which our Company is involved, see "Related Party Transactions" on page 184 of the Red Herring Prospectus.

Sick Companies

None of the Group Companies have become sick companies under the Sick Industrial Companies Act, 1985 and no winding up proceedings have been initiated against them. Further no application has been made, in respect of any of the Group Companies, to the Registrar of Companies for striking off their names. Additionally, none of our Group Companies have become defunct in the five years preceding the filing of this Red Herring Prospectus.

Disassociation by our Promoters in the last three years

There has been no disassociation by our Promoters in the last three years.

Other than those discussed in this section, there is no group company which has become a sick company within the meaning of SICA or is under winding up. For details of the Group Companies which have made loss or negative net worth during the past three years, see "Risk Factors" beginning on page xiii of the Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, see "Financial Statements – Related Party Transactions" beginning on page 203 of the Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payments of dividends will be recommended by our Board of Directors and if necessary, approved by our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial position. Our Company has no stated dividend policy.

For details of the dividend paid by the Company, see "Financial Statements – Auditor's Report" beginning on page 186 of the Red Herring Prospectus.

SECTION V: FINANCIAL STATEMENTS

LODHA & CO.
Chartered Accountants

6, Karim Chambers,
40, A. Doshi Marg,
Mumbai – 400 023
mumbai@lodhaco.com

AUDITORS' REPORT

Restated Financial Statements of JSW Energy Limited for the half years ended September 30, 2009 and September 30, 2008, years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006, March 31, 2005.

To,
The Board of Directors
JSW Energy Limited
Jindal Mansion
5-A, G. Deshmukh Marg
Mumbai – 400 026.

Dear Sirs,

JSW Energy Limited (Formerly Jindal Thermal Power Company Limited) ("the Company") proposed to make an Initial public offering of its equity shares for cash. We have been requested by the Company to report on attached financial information, stamped and initialled by us for identification and prepared in accordance with the requirements of Part II of Schedule II of the Companies Act, 1956 (the "Act"), the Securities and Exchange Board of India ("SEBI") – Issue of Capital and Disclosure Requirements (ICDR), Regulations, 2009 in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related clarifications. The Financial information, Statement of Direct Tax Benefits and Summary of Significant Differences between Indian GAAP, IFRS and U.S. GAAP have been prepared by the Company and approved by the Board of Directors of the Company.

1. Financial Information

1.1 We have examined the attached:

a) Standalone Restated Statement of Assets and Liabilities of the Company as at September 30, 2009, September 30, 2008, March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006, March 31, 2005 (Annexure I-A); Standalone Restated Statement of Profits and Losses for the half years ended September 30, 2009 and September 30, 2008, years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006, March 31, 2005 (Annexure II-A) and Standalone Restated Cash flow Statement for the half years ended September 30, 2009 and September 30, 2008, years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006, March 31, 2005 (Annexure III-A), together referred to as 'standalone statements'.

b) Consolidated Restated Statement of Assets and Liabilities of the Company as at September 30, 2009, September 30, 2008, March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 (Annexure I-B) and Consolidated Restated Statement of Profits and Losses for the half years ended September 30, 2009 and September 30, 2008, years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 (Annexure II-B) and Consolidated Restated Cash flow Statement for the half years ended September 30, 2009 and September 30, 2008, years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 (Annexure III-B), together referred to as 'consolidated statements'.

1.2 We have considered the relevant financial statements in respect of subsidiaries of the Company namely JSW Power Trading Company Ltd. (JSWPTCL) and Jaigad PowerTransco Limited audited by I. Qureshi & Associates, Chartered Accountants; JSW Energy (Ratnagiri) Limited (JSWERL), JSW

Energy Investments Private Limited (JSWIPL) and JSW PowerTransco Limited (JSWPTL) audited by Shah Gupta & Co., Chartered Accountants; Raj WestPower Limited (RWPL) audited by S.D. Pandey & Co., Chartered Accountants till the year ended 31st March, 2007 and audited by Shah Gupta & Co., Chartered Accountants for the years ended 31st March, 2008 , 31st March, 2009, half years ended September 30, 2009, September 30, 2008 and consolidated accounts of RWPL for the years ended 31st March, 2007, 31st March,2008, 31st March, 2009, half years ended September 30, 2009 and September 30, 2008 audited by Shah Gupta & Co., Chartered Accountants; and PT Param Utama Jaya, Indonesia audited by Kap Hertanto, Sidik, Hadisoeryo dan Rekan, Registered Public Accountants till the year ended 31st March, 2008 , audited by Kap Hertanto, Sidik & Rekin, Registered Public Accountants for the year ended 31st March, 2009 and audited by Hadori Sugiarto Adi & Rekan, Certified Public Accountants for the half years ended September 30, 2009 and September 30, 2008; the financial statements of the Joint venture Barmer Lignite Mining Company Limited audited by P. Taparia & Associates till the year ended 31st March, 2007 and audited by Vinod Singhal & Co., Chartered Accountants for the years ended 31st March, 2008, 31st March, 2009, half years ended September 30, 2009 and September 30, 2008 , which have been approved by the Board of Directors of the respective subsidiary companies/Joint venture entity. The accounts of these subsidiaries and the joint venture entity have been consolidated from the date from which the Company acquired ownership interest.

1.3 Based on our examination of the above statements and the related Audit Reports and on the basis of the information and explanations given to us, we report that:

a) The aforesaid statements have been extracted from the audited financial statements as stated in 1.2 above as approved by their respective Board of Directors and have been restated to reflect the significant accounting policies adopted by the Company and significant notes as at September 30, 2009, as stated vide Annexure IV-A and IV-B to this report;

b) Material amounts relating to adjustments for previous years have been identified and adjusted in arriving at the profits of the year to which they relate;

c) There are no qualifications in the auditors' reports, which require any adjustment;

d) The aforesaid statements have been restated to effect necessary changes for exceptional items, which have been disclosed separately in the statements in the years to which they relate.

2. Other Financial Information:

We have also examined the following financial information relating to the Company proposed to be included in the Offer Document, as approved by the Board of Directors and annexed to this report:

Sr. No.	Particulars	Annexures	
		Standalone	Consolidated
i.	Statement of Significant Accounting Policies and notes to statements.	IV – A	IV – B
ii.	Details of Contingent Liabilities	IV – A Note No. 3(c)	IV – B Note No. 6(b)
iii.	Details of transactions with Promoters/Promoter group/group Companies and Key Managerial Personnel	IV – A Note No. 3(s)	IV – B Note No. 6(s)
iv.	Details of Sundry Debtors	V – A	V – B
v.	Details of Loans & Advances Given	VI – A	VI – B
vi.	Details of Investments	VII – A	VII – B
vii.	Accounting ratios based on the profits relating to earnings per share, net asset value and return on net worth	VIII - A	VIII – B
viii.	Capitalisation Statement of the Company	IX – A	IX – B
ix.	Statement of changes in Share Capital	X – A	X - B
x.	Details of items of other income which exceed 20 percent of net profit before tax	XI – A	XI – B
xi.	Details of rate of Dividend declared	XII – A	XII – B
xii.	Statement of Tax Shelters	XIII – A	XIII – B
xiii.	Statement of Tax Benefits	XIV	

Sr. No.	Particulars	Annexures	
		Standalone	Consolidated
xiv.	Statement of Secured Loans	XV	
xv.	Statement of Unsecured Loans	XVI	
xvi.	Summary of Significant Differences between Indian GAAP, IFRS and U.S. GAAP.	XVII	

3. In our opinion, the financial information of the Company and other information, as attached to this report and mentioned in paragraph 1.1, 1.2 and 2 above, read with respective significant accounting policies have been prepared in accordance with Part II of Schedule II of the Act and the Regulations issued by the SEBI. The aforesaid work has not been carried out in accordance with auditing standards generally accepted in United States of America or outside of India and accordingly should not be relied on as if it had been carried out in accordance with those standards.

4. This report is intended solely for your information and for inclusion in the Offer Document in connection with the specific Initial Public Offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Lodha & Co.
Chartered Accountants

R.P. Baradiya
Partner
Membership No. 44101

Place: Mumbai
Date: November 16, 2009

JSW ENERGY LIMITED

ANNEXURE I-A

STANDALONE RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. Million)

Particulars		As at September 30,		As at March 31,				
		2009	2008	2009	2008	2007	2006	2005
A.	**Fixed Assets**							
	Gross Fixed Assets	29,083.94	10,931.92	11,005.91	10,826.35	10,816.17	10,728.95	10,695.84
	Less: Depreciation	5,789.54	5,029.30	5,325.36	4,733.71	4,148.70	3,567.03	2,989.93
	Net Block	**23,294.40**	**5,902.62**	**5,680.55**	**6,092.64**	**6,667.47**	**7,161.92**	**7,705.91**
	Capital Work in Progress (including capital advance payments)	1,581.86	16,505.17	18,796.15	1,524.61	2.14	97.01	2.60
	Total Fixed Assets	**24,876.26**	**22,407.79**	**24,476.70**	**7,617.25**	**6,669.61**	**7,258.93**	**7,708.51**
B.	**Investments**	**21,295.60**	**13,309.28**	**19,399.40**	**14,117.73**	**7,405.05**	**3,476.34**	**3,485.17**
C.	**Current Assets, Loans and Advances**							
	Inventories	1,232.75	337.63	322.66	300.54	231.20	214.50	204.10
	Receivables	3,304.49	976.13	1,155.13	820.07	3,893.20	4,675.03	4,656.25
	Unbilled Revenue	372.78	231.02	41.05	554.38	-	-	-
	Cash & Bank balances	724.48	514.58	264.21	1,003.05	1,059.90	440.60	26.26
	Loans and advances	5,625.91	2,045.45	1,501.09	680.03	490.57	249.15	447.62
		11,260.41	**4,104.81**	**3,284.14**	**3,358.07**	**5,674.87**	**5,579.28**	**5,334.23**
	Total Assets (A+B+C)	**57,432.27**	**39,821.88**	**47,160.24**	**25,093.05**	**19,749.53**	**16,314.55**	**16,527.91**
D.	**Liabilities & Provisions**							
	Loan Funds							
	Advance against Share Capital	-	94.20	-	-	-	-	-
	Secured Loans	26,503.66	18,594.06	23,311.40	8,501.23	5,149.60	4,383.10	6,122.97
	Unsecured Loans	1,000.00	-	-	-	1,020.00	-	-
	Deferred Tax Liability	954.51	747.74	815.07	684.88	559.15	442.93	329.89
	Current Liabilities & Provisions							
	Liabilities	6,312.98	3,567.80	3,370.18	2,064.37	1,182.22	369.24	308.66
	Provisions	62.78	204.85	23.34	1,215.26	473.48	1,305.14	451.08
	Total Liabilities (D)	**34,833.93**	**23,208.65**	**27,519.99**	**12,465.74**	**8,384.45**	**6,500.41**	**7,212.60**
E.	**Net worth (A+B+C) - D**	**22,598.34**	**16,613.23**	**19,640.25**	**12,627.31**	**11,365.08**	**9,814.14**	**9,315.31**
	Represented by:							
	Shareholders' funds							
	Share Capital	13,664.28	5,377.21	5,465.71	5,147.55	3,468.00	2,890.00	2,890.00
	Reserves & Surplus	8,934.06	11,236.02	14,174.54	7,479.76	7,897.08	6,924.14	6,425.31

Particulars		As at September 30,		As at March 31,				
		2009	2008	2009	2008	2007	2006	2005
	Total	**22,598.34**	**16,613.23**	**19,640.25**	**12,627.31**	**11,365.08**	**9,814.14**	**9,315.31**

JSW ENERGY LIMITED

ANNEXURE II – A

STANDALONE RESTATED STATEMENT OF PROFITS & LOSSES

(Rs. Million)

Particulars	For the Half Year Ended September 30		For the Year Ended March 31,				
	2009	2008	2009	2008	2007	2006	2005
Income							
Income from Operation: -							
Sale of Power Generated by the Company	8,479.43	5,990.05	12,336.74	9,256.47	7,303.55	5,307.97	4,908.40
Sale of Certified Emission Reductions (CER's)	-	-	-	3,275.63	-	-	-
Operator Fees	88.91	85.49	178.69	170.50	130.69	110.32	-
Project Management Fees	600.75	2,031.60	3,395.00	3,036.90	360.00	-	-
Total Income from Operation	**9,169.09**	**8,107.14**	**15,910.43**	**15,739.50**	**7,794.24**	**5,418.29**	**4,908.40**
Other income	93.66	18.35	29.35	307.57	328.25	70.53	28.27
Total Income	**9,262.75**	**8,125.49**	**15,939.78**	**16,047.07**	**8,122.49**	**5,488.82**	**4,936.67**
Expenditure							
Cost of Fuel	3,244.22	3,040.95	6,202.42	3,121.58	2,647.72	2,558.07	2,405.88
Employees Cost	276.60	170.68	420.70	224.11	99.99	61.65	42.37
Operation, Maintenance & Other Expenses	473.86	510.91	845.57	1,317.61	483.77	382.04	320.60
Operating Expenses	**3,994.68**	**3,722.54**	**7,468.69**	**4,663.30**	**3,231.48**	**3,001.76**	**2,768.85**
PBIDTA	**5,268.07**	**4,402.95**	**8,471.09**	**11,383.77**	**4,891.01**	**2,487.06**	**2,167.82**
Interest and Finance Charges	1,085.96	514.47	1,202.85	885.32	628.89	497.39	599.30
Depreciation	464.40	297.00	596.33	585.59	582.87	579.61	576.75
Profit Before Tax	**3,717.71**	**3,591.48**	**6,671.91**	**9,912.86**	**3,679.25**	**1,410.06**	**991.77**
Provision for:							
Current Tax (including Fringe Benefit Tax)	632.13	409.40	760.81	1,109.26	370.70	109.18	59.36
Tax related to previous years	-	-	-	118.22	-	-	-
Deferred Tax	139.43	62.86	130.20	125.72	116.22	113.04	329.89
Profit After Tax (A)	**2,946.15**	**3,119.22**	**5,780.90**	**8,559.66**	**3,192.33**	**1,187.84**	**602.52**
Adjustments: - (Refer Note No. 3 (a) in Annexure IV-A)							
Sale of Certified Emission Reductions (CER's)	-	-	-	(3,275.63)	-	162.75	910.82
Project Management Expenses	-	-	-	59.80	(59.80)	-	-
Project Management Income	-	-	-	140.90	(140.90)	-	-
Provision for Phased overhauling expenses	-	-	-	(147.30)	(51.20)	-	38.50
Exchange Gain	-	-	-	(80.02)	-	-	-
Deferred Tax Liability	-	-	-	-	-	-	239.85
Service Income	(40.56)	18.12	40.56	-	-	-	-
Finance charges	50.53	(50.53)	(50.53)	-	-	-	-
Total Adjustments	**9.97**	**(32.41)**	**(9.97)**	**(3,302.25)**	**(251.90)**	**162.75**	**1,189.17**
Tax impact on above adjustments	(1.69)	5.51	1.69	371.00	22.74	(18.44)	(132.08)
Tax impact - others	-	-	-	94.23	(13.04)	(9.51)	(1.79)
Total Tax adjustments	**(1.69)**	**5.51**	**1.69**	**465.23**	**9.70**	**(27.95)**	**(133.87)**

Particulars	For the Half Year Ended September 30		For the Year Ended March 31,				
	2009	2008	2009	2008	2007	2006	2005
Total Adjustments after tax impact (B)	**8.28**	**(26.90)**	**(8.28)**	**(2,837.02)**	**(242.20)**	**134.80**	**1,055.30**
Net Profit, as Restated (A+B)	**2,954.43**	**3,092.32**	**5,772.63**	**5,722.64**	**2,950.13**	**1,322.64**	**1,657.82**
Restated Earning Per Share- (Basic) (Rs.)	**2.16**	**2.30**	**4.22**	**4.45**	**2.50**	**1.23**	**1.55**
Diluted (Rs.)	**2.15#**	**2.30**	**4.22**	**4.45**	**2.50**	**1.23**	**1.55**

after considering pre-IPO allotment of 6,300,000 equity shares of Rs 10 each issued at a premium of Rs 90 per share on November 16, 2009

JSW ENERGY LIMITED

ANNEXURE III-A

STANDALONE RESTATED STATEMENT OF CASH FLOW

(Rs. Million)

	Particulars	For the Half Year Ended September 30		For the Financial Year Ended March 31				
		2009	2008	2009	2008	2007	2006	2005
A.	**Cash Flow from Operating Activities**							
	Net Profit before tax as restated	**3,727.68**	**3,559.07**	**6,661.94**	**6,610.61**	**3,427.35**	**1,572.81**	**1,941.09**
	Adjustment for :							
	Depreciation	464.40	297.00	596.33	585.59	582.90	579.60	576.75
	Interest Income	(10.00)	(17.00)	(27.38)	(104.85)	(45.80)	(5.60)	(1.13)
	Dividend Income	-	-	-	-	(281.80)	(64.20)	(25.64)
	Preliminary and Share issue expenses written off	-	-	29.38	-	-	-	-
	Amortisation of Employee Share payments	3.63	3.63	7.33	2.09			
	Loss on Sale of Fixed Assets	0.20	1.20	2.07	1.03	0.30	0.40	1.05
	Loss on Sale of Long Term Investments	-	-	-	-	-	33.80	-
	Interest & Finance charges	1,035.41	565.03	1,253.38	885.32	628.89	497.39	599.30
	Foreign Exchange Gain	16.82	-	(0.36)	25.29	-	-	-
	Sub Total	**1,510.46**	**849.86**	**1,860.75**	**1,394.47**	**884.49**	**1,041.39**	**1,150.33**
	Operating profit before working capital changes	**5,238.14**	**4,408.93**	**8,522.69**	**8,005.08**	**4,311.84**	**2,614.20**	**3,091.42**
	Adjustments for:							
	Changes in Trade and other Receivables	(2,149.44)	(156.02)	(335.05)	3,073.15	581.80	(18.75)	(562.90)
	Unbilled Revenue	(331.80)	323.40	513.34	(554.38)	-	-	-
	Changes in Trade and other Payables	2,987.70	(64.92)	(409.92)	850.54	824.30	56.85	16.77
	Changes in Inventories	(910.00)	(37.12)	(22.15)	(69.35)	(16.70)	(10.40)	(9.49)
	Loans & Advances	(198.00)	(28.41)	(373.44)	(68.55)	(234.25)	183.21	(190.83)
	Cash from operations	**4,636.60**	**4,445.86**	**7,895.47**	**11,236.49**	**5,466.99**	**2,825.11**	**2,344.97**
	Income Taxes paid	(598.90)	(385.60)	(759.89)	(1,226.94)	(377.00)	(103.60)	(165.29)
	Net cash from operating activities	**4,037.70**	**4,060.26**	**7,135.578**	**10,009.55**	**5,089.99**	**2,721.51**	**2,179.68**
B	**Cash Flow from Investing Activities**							
	Purchase of Fixed Assets including Intangible Assets,CWIP & Preop. Exp.	(863.80)	(4,153.97)	(6,374.22)	(1,629.89)	(7.60)	(101.00)	(35.24)
	Interest Income	10.00	17.00	27.38	104.85	45.80	5.60	1.13
	Dividend Income	-	-	-	-	281.80	64.21	25.64
	Investments in Subsidiaries/ associates (including advances)	(5,823.00)	(2,342.08)	(7,531.08)	(10,111.76)	(3,929.45)	(25.00)	(2,366.65)
	Sale of Fixed Assets	0.43	3.00	3.00	0.40	0.80	0.71	0.20
	Net cash from/(used)in investing activities	**(6,676.37)**	**(6,476.05)**	**(13,874.92)**	**(11,636.40)**	**(3,608.65)**	**(55.48)**	**(2,374.92)**
C.	Cash Flows from Financing Activities							
	Proceeds from equity (incl. received by erstwhile subsidiary)	-	94.20	343.10	-	578.00	-	-
	Borrowings (Net)	4,192.30	3,130.90	7,808.07	2,411.63	1,799.50	(1,770.10)	586.06
	Interest Paid	(1,093.35)	(532.80)	(1,210.71)	(871.61)	(638.54)	(491.59)	(522.18)
	Dividend Paid	-	(1,029.50)	(1,204.48)	-	(2,801.00)	-	-
	Net cash from financing activities	**3,098.95**	**1,662.80**	**5,735.98**	**1,540.02**	**(1,062.04)**	**(2,261.69)**	**63.88**
	Net (Decrease) / Increase in cash	**460.27**	**(752.99)**	**(1,003.36)**	**(86.83)**	**419.30**	**404.34**	**(131.36)**
	Cash and cash equivalents at beginning of year	64.21	763.07	763.07	849.90	430.60	26.26	157.62

Particulars		For the Half Year Ended September 30		For the Financial Year Ended March 31				
		2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
	Add: Pursuant to Scheme of Amalgamation	-	304.50	304.50	-	-	-	-
		64.21	**1,067.57**	**1,067.57**	**849.90**	**430.60**	**26.26**	**157.62**
	Cash and cash equivalents at end of year/period	524.48	314.58	64.21	763.07	849.90	430.60	26.26

ANNEXURE IV-A

JSW ENERGY LIMITED

Significant Accounting Policies and Notes to Standalone Statements of Profits & Losses and Assets & Liabilities, as restated:

1. Overview of the Company

Company was incorporated as 'Jindal Tractebel Power Company Limited' under the Companies Act, 1956 on March 10, 1994. The name of Company was changed to 'Jindal Thermal Power Company Limited' on January 17, 2002. Subsequently, the name of Company was changed to 'JSW Energy Limited' on December 7, 2005.

SBU I (2X130MW) commenced its commercial operations on January 18, 2000.

Unit 1 (300MW) of SBU II (2X300MWw) commenced its commercial operations on July 1, 2009.

Unit 2 (300MW) of SBU II (2X300MW) commenced its commercial operations on September 1, 2009.

The Company is primarily engaged in generation and sale of power.

2. Significant Accounting Policies

(a) General

The financial statements are prepared under the historical cost convention, on the accounting principles of a going concern and as per applicable accounting standards. The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis except those with significant uncertainties.

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual result could differ from these estimates. Any revision to accounting estimates is recognised prospectively.

(b) 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.

i. Revenue from sale of power is recognised when substantial risks and rewards of ownership is transferred to the buyer under the terms of the contract.

ii. Revenue from construction / project related activity:

Revenue from construction contract are recognised by reference to the overall estimated profitability of the contract under the percentage of completion method. Foreseeable losses in any contract are provided irrespective of the stage of completion of the contract activity. The stage of completion of the contract is determined considering the nature of the contract, technical evaluation of work completed / measurement of physical progress and proportion of the cost incurred to the estimated total cost.

Contracts cost comprise all cost that relate directly to the specified contract, incidental cost attributable to the contract including allocated overheads and warranty cost.

iii. Operator fees and other income is accounted on accrual basis as and when the right to receive arises.

(c) Fixed Assets

Fixed assets are recorded at cost which include all direct and indirect expenses upto the date of acquisition, installation and / or commencement of commercial generation of power.

Expenditure incurred during construction period:

Apart from costs related directly to the construction of an asset, indirect expenses incurred up to the date of commencement of commercial production which are incidental and related to construction are capitalised as part of construction cost. Income, if any, earned during the construction period is deducted from the indirect costs.

(d) Depreciation

Depreciation is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

Depreciation on impaired assets related to a cash generating unit is provided by adjusting the depreciation charge in the remaining periods so as to allocate the revised carrying amount of the asset over its remaining useful life.

The Company capitalizes software where it is reasonably estimated that the software has an enduring useful life. Software is depreciated over an estimated useful life of 3 years.

(e) Impairment of assets

In accordance with AS-28 on 'Impairment of assets' prescribed by the Companies (Accounting Standards) Rules, 2006, where there is an indication of impairment of the Company's 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 recognized in the profit and loss account whenever the carrying amount of such assets exceed its recoverable amount.

(f) Borrowing Costs

(i) Borrowing Costs (including exchange difference) directly attributable to the acquisition and construction of a qualifying asset as defined in Accounting Standard 16 "Borrowing Costs" 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 revenue.

(g) Investments

Long term Investments are stated at cost. In case, there is a decline other than temporary in the value of any Investments, a provision for the same is made.

(h) Inventories

Inventories are valued at lower of cost and net realizable value. Cost is determined on the basis of weighted average. Obsolete, defective and unserviceable stocks are duly provided for wherever applicable.

(i) Exchange Transactions

Foreign currency 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 year end rates.

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 and accounted accordingly. 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.

The exchange differences are adjusted to carrying cost of the fixed assets if they relate to such fixed assets and to profit and loss account in other cases.

(j) Employee benefits

Retirement benefits in the form of Provident Fund and Family pension Scheme are defined contribution schemes and the contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Stock Based Compensation - The compensation cost of stock options granted to employees is calculated using the intrinsic value of the stock options. The compensation expense is amortised uniformly over the vesting period of the option.

Gratuity liability under the Payment of Gratuity Act, 1972 is a defined benefit obligation and is provided for on the basis of the actuarial valuation made at the end of each financial year.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation.

Actuarial gains/ losses are immediately taken to profit and loss account and are not deferred.

(k) Taxation

Income tax expenses comprise current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charges or credit (reflecting the tax effects of timing differences between accounting income and taxable income of the year).

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.

Tax credit is recognised in respect of Minimum Alternate Tax (MAT) paid in terms of Section 115JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and the same is reviewed at each balance sheet date.

(l) Provisions and Contingent Liabilities

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

a) the Company has a present obligation as a result of a past event.

b) a probable outflow of resources is expected to settle the obligation and

c) the amount of the obligation can be reliably estimated

Where some or all the expenditure required to settle a provision is expected to be reimbursed by another party, such reimbursement is recognised to the extent of provision or contingent liability as the case may be, only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of

a) a present obligation arising from a past event, when it is not probable that a outflow of resources will be required to settle the obligation.

b) a possible obligation, unless the probability of outflow of resources is remote.

3. Notes to Accounts

(a) Adjustments to Restated Statement of Profits & Losses and Assets & Liabilities:

a) **i.** Revenue recognized towards (i) sale of Certified Emission Reductions (CER's) of Rs. 3275.63 Million during the year ended March 31, 2008 (ii) Service income of Rs. 40.56 Million during period of six months ended September 30, 2009, have now been restated to the respective years to which they relate.

b) Sundry Debtors include amount receivable in respect of CER's and Service income on account of restatement:

(Rs. Million)

As at September 30,		As at March 31,				
2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Nil	18.12	40.56	Nil	3275.63	3275.63	3112.88

ii. Expenditure and Income related to Project Management activity for the year 2006-07 has now been restated in line with the accounting policy currently being followed.

iii. Deferred Tax Liability provided in F.Y. 2004-05 have now been restated and charged to/provided in the respective years to which they relate.

iv. Provision for Phased Overhauling Expenses written back in the year 2007-08 has been restated and written back in the respective years in which provision was made.

v. The adjustments relating to exchange gain (due to recent amendment to Accounting Standard (AS) 11 on "Effects of changes in Foreign Exchange Rates") is related to the year 2007-08.

vi Income tax of earlier years paid during the year 2007-08 (due to disallowance of deferred tax liability and provision for phased overhauling expenses during assessment) has been restated and provided in the respective years to which they relate.

vii. Finance charges of Rs 50.53 million written off in fiscal 2010 has been restated and written off in the fiscal 2009 to which it relates

viii. Current Tax Impact of above mentioned adjustments on restatement has been provided, wherever applicable, at the appropriate tax rate.

(b) The Scheme of Arrangement between the Company and JSW Energy Investments Private Limited (JSWEIPL) and the respective shareholders for demerger of investment division of the Company with appointed date as 1st April, 2007 was approved by the Honorable High Court of Judicature of Bombay vide Order dated 1st November, 2007. Accordingly, as per the scheme (a) assets of Rs. 3,278.21 Million and liabilities of Rs. 20.00 Million have been transferred to JSWEIPL at their book values and

(b) Rs. 3,258.21 Million being the excess of book value of assets transferred have been adjusted to the surplus in Profit & Loss Account.

(c) Contingent Liabilities not provided for in respect of:

(Rs. Million)

Particulars	As at Sept 30		As at March 31	
	2009	2008	2009	2008
Bank Guarantees Outstanding	1095.00*	1000.70*	1043.80*	1541.19*
Counter Guarantees issued to banks on behalf of subsidiaries	349.70	-	349.70	-
Income Tax matters (excluding interest, if any)	62.30	47.20	62.30	47.03

* Refer Note No. 3 (e) below.

(d) (i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)

(Rs. Million)

As at Sept 30		As at March 31,				
2009	2008	2009	2008	2007	2006	2005
708.20	2099.60	931.60	951.40	5.20	3.90	13.71

(ii) The Company has given unconditional undertakings to the lenders of the power projects being setup by its subsidiary companies JSW Energy (Ratnagiri) Ltd., Raj WestPower Ltd., and Jaigad PowerTransco Limited for meeting any shortfall in completing the project, due to cost overrun, if any.

(e) The Company was supplying power to Karnataka Power Transmission Corporation Limited (KPTCL) on the basis of the rate approved by Govt of Karnataka, which was incorporated in the Power Purchase Agreement (PPA), dated 27th November, 2000. On the application by KPTCL to Karnataka Electricity Regulatory Commission (KERC) for approval of PPA, KERC had passed Order in July 2002 reducing the tariff retrospectively from 1st August 2000. The Company's appeal against the said Order was decided by the Karnataka High Court vide its Order dated 8th April, 2004 in favour of the Company. KPTCL and KERC filed Special Leave Petition before the Honourable Supreme Court challenging the Order of Karnataka High Court. As against the outstanding amount of Rs. 1053.50 Million, in terms of the interim order dated 23rd January 2007 of Supreme Court, KPTCL paid Rs.1000 Million against bank guarantee provided by the Company. The balance amount of Rs. 53.50 Million due from KPTCL is included in Sundry Debtors and considered as good and recoverable.

(f) The Company has sold 1,08,00,000 units of power to JSW Power Trading Company (JSWPTCL) during the period 6th June, 2009 till 8th June , 2009 at Rs 6.48 per unit, the invoiced amount of which aggregates to Rs 70 million. JSWPTCL has sold the power to certain customers during the aforesaid period, which is pending confirmation by the said customers. In view of the uncertainty relating to the recovery of the dues towards the above, the revenue in respect of the same has not been recognized during the period and has been postponed for recognition at the time when its ultimate recovery can be determined with certainty. As a matter of prudence and in accordance with the accounting policy followed by the Company, the aforesaid amount will be recognised as revenue only on certainty of recovery.

(g) The Company has sold power to JSW Power Trading Company Ltd (JSWPTCL) during the month of December 2008 at Rs 8.46 per unit. JSWPTCL has sold the power to Power Corporation of Karnataka Limited (PCKL) during the month of December 2008, at an invoiced rate of 8.50 per unit and payment has been received from PCKL at Rs. 6.50 per unit. PCKL has disputed the balance amount of Rs. 246.50 Million. As a matter of prudence and in accordance with the accounting policy followed by the Company, the said balance amount will be recognised as revenue only on settlement of dispute.

(h) Capital Work-in-progress include:

(Rs. Million)

Particulars	As at Sept 30		As at March 31,				
	2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Capital Advances (Unsecured, Considered Good)	1,427.76	1,790.75	1670.15	1,426.01	1.04	0.21	0.40
Building under Construction			380.66	Nil	0.89	Nil	Nil
Plant & Machinery under Erection	13,456.02	11,622.03	13,133.99	18.72	0.21	91.60	2.20
Software under implementation	13.07	-	9.14	-	-	-	-
Civil Works	509.47	302.51	-	-	-	-	-
Less: Amount transferred to Fixed Assets	13,952.11	-	-	-	-	-	-
Sub Total (A)	**1454.21**	**13715.29**	**15,193.94**	**1,444.73**	**2.14**	**91.81**	**2.60**
Pre-operative expenses pending allocation:							
Opening Balance	3,602.21	628.91*	628.91*	-	-	-	-
Fuel for testing	1,803.11	-	34.38	-	-	-	-
Employee Cost	29.40	-	-	-	-	-	-
Consumption of Stores & Spares	1.18	0.11	-	-	-	-	-
Water	9.21	-	-	-	-	-	-
Rates & Taxes	7.84	3.74	8.15	0.61	-	4.20	-
Insurance	12.25	9.47	18.87	-	-	-	-
Rent	0.08	0.42	0.46	-	-	-	-
Legal & Professional Expenses	2.09	11.93	36.23	9.99	-	1.00	-
Project Management Expenses	-	1448.55	1,448.55	-	-	-	-
Travelling & Conveyance	1.44	1.13	4.58	1.03	-	-	-
General Expenses	4.18	0.66	7.91	0.83	-	-	-
Interest on Fixed Loans	432.82	484.11	1,103.72	Nil	-	-	-
Other Borrowing Costs	17.22	2.83	4.03	67.42	-	-	-
Exchange Loss	-	198.26	307.42	Nil	-	-	-
Depreciation	0.13	0.17	0.34	Nil	-	-	-
Fringe Benefit Tax	-	-	0.09	Nil	-	-	-
Wealth Tax	-	-	0.02	Nil	-	-	-
	5,929.18	**2,790.3**	**3603.66**	**79.88**	**-**	**5.20**	**-**
Less: Interest Income	0.08	0.41	1.45	-	-	-	-
Revenue from Sale of Power	1,564.48	-	-	-	-	-	-
Exchange Gain	55.55	-	-	-	-	-	-
	1,620.11	**0.41**	**3602.21**	**79.88**	**-**	**5.20**	**-**
Sub Total (B)	**4,309.07**	**2,789.88**	**18796.15**	**1524.61**	**2.14**	**97.01**	**2.60**
Less: Amount Transferred to Fixed Assets	4,130.89	-	-	-	-	-	-
Amount transferred to Profit & Loss Account	50.53	-	-	-	-	-	-
Sub Total (C)	**4181.42**	**-**	**-**	**-**	**-**	**-**	**-**
Gross Total (A+B-C)	**1,581.86**	**16,505.17**	**18,796.15**	**1524.61**	**2.14**	**97.01**	**2.60**

*Notes:

1. Includes amount of Rs. 578.41 Million transferred pursuant to the Scheme of Amalgamation (Refer Note 3 (i) below)
2. Opening Balance is net of Rs. 7.11 Million and Rs. 22.27 Million being preliminary expenses and Share issue expenses written off during the year.

(i) Scheme of amalgamation:

Amalgamation of JSW Energy (Vijayanagar) Ltd. (JSWEVL) and JSW PowerTransco Ltd (JSWPTL) (Transferor Companies) with the Company :

A Scheme of Amalgamation (Scheme) of the Transferor Companies with the Company was sanctioned by the Hon'ble High Court of Judicature of Bombay vide its order dated 10th October 2008. The transferor companies JSWEVL and JSWPTL are in the business of generation and transmission of power respectively. The Amalgamation is in the nature of a merger as defined by Accounting Standard (AS) 14 "Accounting for Amalgamations". Entries have been passed in the books of account to give effect to the Scheme, as follows:

i. With effect from the Appointed date i.e 1st April 2008, all the assets and liabilities recorded in the books of the Transferor Companies are transferred to and vested in the Company pursuant to the Scheme and are recorded by the Company at their book values.

ii. 3,18,16,044 Equity shares of Rs 10 each at par are allotted to the equity shareholders of JSWEVL in the ratio of 258 shares of the Company for every 1000 equity shares of JSWEVL.

iii. The Company's 100% equity shareholding in JSWPTL has been cancelled.

iv. The Amalgamation has been accounted for under the " Pooling of Interests Method" as prescribed by Accounting Standard (AS) 14 "Accounting for Amalgamations".

v. Difference of Rs 915.00 Million between the amount of shares allotted to the shareholders of erstwhile JSWEVL & JSWPTL and the value of net assets acquired has been credited to General Reserve. As per Accounting Standard (AS) 14 " Accounting for Amalgamations" Rs. 914.80 Million (net of loss of Rs. 0.20 Million in respect of JSW Power Transco Ltd.) was to be credited to Capital Reserve but since the scheme provided for its credit to General Reserve, the same has been so credited which is in line with aforesaid Accounting standard.

(j) (i) In the opinion of the Management, the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet. Provision for depreciation and all known liabilities is adequate and not in excess of what is required.

(ii) The Company is yet to receive balance confirmations in respect of certain sundry creditors and advances. The Management does not expect any material difference affecting the current year's financial statements due to the same.

(k) Deferred Tax Liability Consists of timing differences due to depreciation : Rs. 954.50 Million (As on 30/09/08 Rs. 747.70 Million ; As on 31/03/09 Rs. 815.07 Million)

(l) Employees Benefits:

(i) Defined benefit plans – as per actuarial valuations as on 30/09/2009:

Details of Gratuity plan are as follows:

(Rs. Million)

Description	**As at Sept 30**		**As at 31 March**	
	2009	**2008**	**2009**	**2008**
1. Reconciliation of opening and closing balances of obligation				
a. Opening Balance	13.20	8.70	8.70	7.30
b. Current Service Cost	2.88	1.46	4.30	2.80
c. Interest Cost	0.48	0.26	0.60	0.60
d. Actuarial (gain)/loss	(0.09)	(0.18)	(0.10)	(0.30)
e. Benefits paid	(0.33)	-	(0.30)	(1.70)
f. Closing Balance	16.14	10.24	13.20	8.70
2. Change in Plan Assets (Reconciliation of opening & closing balances)				
a. Opening Fair Value of plan assets	10.50	7.79	6.50	6.90
b. Actual Company Contributions	2.00	-	2.20	0.80
c. Expected return on plan assets	0.45	0.31	0.60	0.60
d. Actuarial Gain /(loss)	0.03	0.02	1.50	-
e. Benefits paid	(0.33)	-	(0.30)	(1.70)
f. Closing Fair Value of plan assets	12.65	8.12	10.50	6.50
3. Reconciliation of fair value of assets and obligations				
a. Present value of obligation	16.14	10.24	13.20	8.70
b. Fair value of plan assets	12.65	8.12	10.50	6.50
c. Balance amount recognized as liability in the Balance Sheet	3.49	2.12	2.70	2.20
4. Expense recognized in the period				
a. Current service cost	2.88	1.46	4.30	2.80
b. Interest cost	0.48	0.26	0.60	0.60
c. Expected return on plan assets	(0.45)	(0.31)	(0.60)	(0.60)
d. Actuarial (gain)/loss	(0.09)	(0.18)	(0.10)	(0.30)
e. Expense recognised	2.82	1.23	4.20	2.50
5. Assumptions	**30/09/2009**	**30/09/2008**	**31/03/2009**	**31/03/2008**
a. Discount rate (per annum)	7%	7%	7%	8%

Description	As at Sept 30		As at 31 March	
	2009	2008	2009	2008
b. Estimated rate of return on plan assets (per annum)	8%	8%	8%	8%
c. Rate of escalation in salary (per annum)	5%	5%	5%	5%
6. Investment Details				
Amount invested in cash accumulation scheme of Life Insurance Corporation of India				

(ii) Employee Share based Payment Plans:

a. During the year ended 30th September 2009, the Company has three share-based payments arrangements, which are described below:

Particulars	Scheme 1 (General Manager & Above)	Scheme 2 (Junior Manager to General Manager)	Scheme 3 (Assistant Vice President & Above)
Date of grant	December 19, 2007	December 19, 2007	December 19, 2007
Number granted	7349	19199	35231
Vesting Period	3 years service	3 years service	3 years service
Method of settlement	Cash	Cash	Cash
Exercise Price	600	800	900

b. Expenses arising from employee's share-based payment plans debited to P&L Account Rs.3.63 Million (for F.Y ended on 31/03/09 Rs.7.33 Million; for period of six months ended on 30/09/08 Rs.3.63 Million).

(m) The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

(n) (i) Capital Advance include Rs. 750 Million (As on 30/09/08 Rs.750 Million ; As on 31/03/09 Rs. 750 Million) paid towards acquisition of a office / residential property to be constructed.

(ii) Loans and Advance include (a) Rs. 325 Million (As on 30/09/08 Rs. 225 Million ; As on 31/03/09 Rs. 325 Million) paid to JSWPTC as security deposit for lease of office property (b) Rs. 58 Million (As on 30/09/08 Rs. 59.1 Million ; As on 31/03/09 Rs. 58 Million) paid as interest free loan to JSW Energy Employees Welfare Trust.

(o) There are no reportable segments as per Accounting Standard 17 prescribed by the Companies (Accounting Standards) Rules, 2006.

(p) Toshiba JSW Turbine & Generator Private Limited and MJSJ Coal Limited have not been considered for disclosure of interest in accordance with relevant Accounting Standards as the Company is not having any control over said joint venture entities.

(q) The foreign currency exposures that:

(i) have not been hedged by a derivative instrument or otherwise as at Balance Sheet date are given below:-

Particulars	Foreign currency equivalent (EURO)	Foreign currency equivalent (USD)	In Rupees equivalent Rs. Million
a) Capital Advances	-	-	-
(As on 31/03/09)	-	(576.62)	(19.5)
(As on 30/09/08)	(288,200)	(1,461,691)	(88.10)
b) Pending Capital Commitments	-	-	-
(As on 31/03/09)	-	(2,300)	(19.60)
(As on 30/09/08)	(288,200)	(6,264,959)	(313.60)

Particulars	Foreign currency equivalent (EURO)	Foreign currency equivalent (USD)	In Rupees equivalent Rs. Million
c) Secured Loans	-	6,728,688	323.20
(As on 31/03/09)	-	(9,420,163)	(479.90)
(As on 30/09/08)	-	(12,111.639)	(568.80)
(d) Project related creditors	-	21,984,000	1056.10
(As on 31/03/09)	-	(23,258,153)	(1,185.00)
(As on 30/09/08)	-	(30,359,707)	(1,425.10)

(ii) have been hedged by a derivative instrument or otherwise as at Balance Sheet date are Nil.

(r) The Group has taken certain premises on cancelable / non cancelable Operating lease arrangement with:

(a) JSW Steel Limited

Major terms of the agreement are as under

(Rs. Million)

Particulars	As at September 30,		As at March 31,				
	2009	2008	2009	2008	2007	2006	2005
Annual Lease rent	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Tenure of Lease	Lease agreement valid till 31st March, 2033						
Lease Deposit	64.88	64.88	64.88	64.88	64.88	64.88	64.88

(s) Related Party Transactions

A List of Related Parties

I Subsidiaries (Control exists)

1	JSW Power Trading Company Limited	From July 8, 2005
2	Raj WestPower Limited	From February 10, 2006
3	JSW Energy (Ratnagiri) Limited	From June 30, 2006
4	PT. Param Utama Jaya, Indonesia	From January 18, 2007
5	JSW Energy (Vijayanagar) Limited	From May 5, 2006 to March 31, 2008
6	JSW PowerTransco Limited	From July 3, 2007 to March 31, 2008
7	Jaigad PowerTransco Limited	From July 29, 2008
8	JSW Energy Investments Private Limited	From February 19, 2007 to March 31, 2007
9	JSW Energy (Raigarh) Limited	From August 31,2009

II Associates / Parties with whom the Company has entered into transactions:

1 JSW Steel Limited
2 JSW Energy Overseas Limited, Dubai
3 JSoft Solutions Limited
4 Windsor Residency Private Limited
5 Vinamra Properties Private Limited (Formerly Known as Tarini Properties Private Limited)
6 Toshiba JSW Turbine & Generator Private Limited (from September 2, 2008)
7 MJSJ Coal Limited (from October 13, 2008)
8 JSW Energy Investment Pvt. Ltd. (from April 1, 2007)
9 JSW Power Limited
10 Sun Investment Private Limited

III Key Managerial Personnel

1 Mr. Sajjan Jindal – Chairman & Managing Director – From January 1, 2009
2 Mr. S.S.Rao - Jt. Managing Director & CEO
3 Mr. Raaj Kumar – Jt. Managing Director & CEO (upto August 31, 2007)
4 Mr. K.T.Krishna Deshika – Director – Finance (upto April 16, 2007)

	Nature of transactions	For the Period April 1 to Sept 30,		For the year Ended March 31,				
		2009	2008	2009	2008	2007	2006	2005
A	**Transactions:**							
1	**Sale of power to**							
	JSW Steel Limited	2528.20	203.30	923.87	146.29	-	168.30	1785.08
	JSW Power Trading Co. Limited	7429.50	4532.80	8842.97	7482.90	4126.56	-	-
2	**Rebate on Sale of Power**							
	JSW Power Trading Co. Limited	127.70	98.30	181.28	151.06	87.18	-	-
3	**Service Received from (excluding service tax)**							
	Sun Investment Private Limited	-	-	-	-	67.34	66.12	66.12
	JSW Steel Limited (Coal Handling)	16.70	-	-	-	-	-	-
	JSW Power Trading Co. Limited	-	-	-	-	22.45	5.51	-
	JSoft Solutions Limited	22.70	10.00	17.79	28.67	-	-	-
4	**Service Rendered to: (excluding service tax)**							
	Operator fees from JSW Steel Limited	88.90	85.50	178.69	170.50	130.69	110.32	-
	Project management fees (excluding service tax) from:							
	JSW Energy (Vijayanagar) Limited	-	-	-	929.90	360.00	-	-
	JSW Energy (Ratnagiri) Limited	330.80	876.60	1729.50	670.50	-	-	-
	Raj WestPower Limited	270.00	1155.00	1665.50	1436.50	-	-	-
	Business Support fee from Toshiba JSW Turbine & Generator Pvt Ltd.	63.10	-	-	-	-	-	-
5	**Trade Advance Received and repaid**							
	JSW Steel Limited	1100.00	-	300.00	1000.00	-	-	-
6	**Purchase of Fuel / Goods**							
	JSW Steel Limited	3848.50	3006.20	6112.10	3035.05	2658.27	2582.70	2426.52
7	**Lease Deposit Received from**							
	JSW Energy (Vijayanagar) Limited	-	-	-	-	5.39	-	-
8	**Rent Paid**							
	JSW Steel Limited	-	6.30	6.48	4.16	-	-	-
	JSW Energy (Vijayanagar) Limited	-	-	-	0.08	-	-	-
9	**Short Term Loan Received from**							
	Sun Investment Private Limited	-	-	-	-	-	-	250.00
10	**Interest Paid to**							
	Sun Investment Private Limited	-	-	-	-	-	-	5.92
11	**Security Deposit paid for lease of office property**							
	JSW Power Trading Co	100.00	-	-	225.00	-	-	-

	Nature of transactions	For the Period April 1 to Sept 30,		For the year Ended March 31,				
		2009	2008	2009	2008	2007	2006	2005
	Limited							
12	**Advance against Equity Share Capital paid and refund**							
	Jaigad Power Transco Limited	330.00	-	-	-	-	-	-
13	**Reimbursement of :**							
	(i) Grid support charges from JSWSL paid to KPTCL	13.00	12.60	25.15	23.96	22.82	21.73	20.69
	(ii) expenses by JSW Energy (Raigarh) Ltd.	15.00	-	-	-	-	-	
14	**Advance paid against Equity Share Capital**							
	JSW Energy (Vijayanagar) Limited	-	-	-	100.00	-	-	-
	JSW Energy (Ratnagiri) Limited	1220.00	200.00	-	-	-	-	-
	Raj WestPower Limited	2885.00	720.00	-	-	-	-	-
	Jaigad Power Transco Limited	-	355.50	143.88	-	-	-	-
	Toshiba JSW Turbine & Generator Pvt Ltd.	-	-	220.00	-	-	-	-
	MJSJ Coal Limited	38.50	-	5.50	-	-	-	-
15	**Acquisition of Office / Residential Properties from**							
	Vinamra Properties Private Limited	-	-	-	35.10	-	-	-
16	**Advance paid for Acquisition of Office/Residential Properties**							
	Windsor Residency Private Limited	-	-	-	750.00	-	-	-
17	**Investment in Equity Share Capital**							
	JSW Power Limited	-	-	-	-	-	-	309.60
	JSW Steel Limited	-	-	-	-	-	554.10	-
	JSW Energy Overseas Limited	-	-	-	-	0.12	-	-
	JSW Energy Investments Private Limited	-	-	-	-	0.10	-	-
	JSW Energy (Ratnagiri) Limited	1175.70	-	1335.00	4050.01	500.00	-	-
	Raj West Power Limited	430.00	1050.00	3886.40	5160.07	1630.00	-	-
	JSW PowerTransco Limited	-	-	-	0.50	-	-	-
	JSW Energy (Vijayanagar) Limited	-	-	-	780.01	1100.00	18.52	-
	JSW Power Trading Co. Limited	-	-	-	0.40	500.00	199.75	-
	Jaigad PowerTransco Limited	-	0.50	433.12	-	-	-	-
	PT. Param Utama Jaya	-	-	-	-	178.45	-	-
	Toshiba JSW Turbine & Generator Pvt Ltd.	220.00	-	220.00	-	-	-	-
	MJSJ Coal Limited	-	-	0.11	-	-	-	-
	JSW Energy (Raigarh) Ltd.	0.50	-	-	-	-	-	-
18	**Investment in Preference Share Capital**							
	JSW Power Trading Co. Limited	70.00	-	1250.00	-	-	-	-
19	**Security & Collateral Provided to**							
	JSW Energy (Vijayanagar) Limited	-	-	-	1366.87	1100.00	-	-
	JSW Energy (Ratnagiri)	599.60	25.50	706.35	2295.00	-	-	-

	Nature of transactions	For the Period April 1 to Sept 30,		For the year Ended March 31,				
		2009	2008	2009	2008	2007	2006	2005
	Limited							
	Raj WestPower Limited	129.00	2357.60	3208.50	-	-	10.00	-
	Jaigad PowerTransco Limited	298.50	-	-	-	-	-	-
20	**Managerial Remuneration**							
	Mr. Sajjan Jindal	25.37	-	9.76	-	-	-	-
	Mr. S.S.Rao	7.98	6.10	11.76	10.81	-	-	6.41
	Mr.K.T.Krishna Deshika	-	-	-	5.09	4.45	2.97	2.57
	Mr. Raaj Kumar	-	-	-	1.06	6.96	4.41	0.64
B	**Balance at the year end**							
1	**Trade Payables / (Receivable)**							
	JSW Steel Limited	2714.70	1338.30	1090.80	606.45	458.33	240.53	21.62
	JSW Steel Limited	(2122.20)	(907.20)	(1,081.74)	(468.75)	(221.55)	(120.35)	-
	JSW Power Trading Co. Limited	(1270.00)	(172.60)	(123.66)	(297.48)	343.70	(2.70)	-
	JSW Energy (Vijayanagar) Limited	-	-	-	(428.16)	-	-	-
	Rajwest Power Limited	(304.00)	(9.60)	(41.05)	(52.19)	-	-	-
	JSW Energy (Ratnagiri) Limited	(47.90)	(221.50)	-	679.50	-	-	-
	JSW Energy Investment Pvt. Ltd.	(10.30)	(10.30)	(10.32)	-	-	-	-
	Jaigad PowerTransco Limited	-	0.30	0.30	-	-	-	-
	MJSJ Coal Limited	(0.60)	-	-	-	-	-	-
	Toshiba JSW Turbine & Generator Pvt Ltd.	(71.00)	-	-	-	-	-	-
	JSW Energy (Raigarh) Limited	(15.00)	-	-	-	-	-	-
2	**Security Deposit with / (from)**							
	JSW Steel Limited	64.88	64.88	64.88	64.88	64.88	64.88	64.88
	JSW Steel Limited (land lease)	(1.58)	1.58)	1.58)	-	-	-	-
	JSW Power Trading Co Ltd.,	325.00	225.00	225.00	225.00	-	-	-
	JSW Energy (Vijayanagar) Limited	-	-	-	(5.39)	(5.39)	-	-
3	**Advance paid against Equity Share Capital**							
	JSW Energy (Ratnagiri) Limited	1220.00	200.00	-	-	-	-	-
	Rajwest Power Limited	2885.00	720.00	-	-	-	-	-
	Jaigad PowerTransco Limited	143.88	355.50	143.88	-	-	-	-
	JSW Energy (Vijayanagar) Limited	-	-	-	100.00	-	-	-
	Toshiba JSW Turbine & Generator Pvt Ltd.	-	-	220.00	-	-	-	-
	MJSJ Coal Limited	44.00	-	5.50	-	-	-	-
4	**Advance paid for Acquisition of Office/Residential Properties**							
	Windsor Residency Private Limited	750.00	750.00	750.00	750.00	-	-	-
5	**Payable for acquisition of office/ residential properties**							
	Tarini Properties Private Limited	-	-	-	5.15	-	-	-
6	**Investment in Equity Share Capital**							
	JSW Steel Limited	-	-	-	-	3258.07	3258.07	3145.57

Nature of transactions		For the Period April 1 to Sept 30,		For the year Ended March 31,				
		2009	2008	2009	2008	2007	2006	2005
	JSW Power Limited	-	-	-	-	-	-	339.60
	JSW Energy Investments Private Limited	-	-	-	-	0.10	-	-
	JSW Power Trading Co. Limited	700.15	700.15	700.15	700.15	699.75	199.75	-
	JSW Energy (Ratnagiri) Limited	7060.71	4550.01	5885.01	4550.01	500.00	-	-
	Raj WestPower Limited	11124.99	7858.59	10694.99	6808.59	1648.52	18.52	-
	JSW PowerTransco Limited	-	-	-	0.50	-	-	-
	JSW Energy (Vijayanagar) Limited	-	-	-	1880.01	1100.00	-	-
	PT. Param Utama Jaya	178.45	178.45	178.45	178.45	178.45	-	-
	JSW Energy Overseas Limited, Dubai	0.01	0.01	0.01	0.01	0.01	-	-
	Jaigad PowerTransco Limited	433.12	0.50	433.12	-	-	-	-
	JSW Turbine & Generator Pvt Ltd.	440.00	-	220.00	-	-	-	-
	MJSJ Coal Limited	0.11	-	0.11	-	-	-	-
	JSW Energy (Raingarh) Limited	0.50	-	-	-	-	-	-
7	**Investment in Preference Share Capital**							
	JSW Power Trading Co. Limited	1320.00	-	1250.00	-	-	-	-
8	**Security & Collateral Provided to**							
	JSW Steel Limited	-	-	-	-	-	1303.55	1089.03
	JSW Energy (Ratnagiri) Limited	3600.90	2320.50	3001.35	2295.00	-	-	-
	Raj WestPower Limited	3337.50	2357.60	3208.50	-	10.00	10.00	-
	JSW Energy (Vijayanagar) Limited	-	-	-	1366.87	1100.00	-	-
	Jaigad PowerTransco Limited	298.50	-	-	-	-	-	-
9	**Security & Collateral Provided from**							
	JSW Steel Limited	-	-	-	-	1445.00	1445.00	1445.00

Notes:

I No amounts in respect of related parties have been written off / written back during the year, nor any provision has been made for doubtful debts / receivables.

II Related party relationships have been identified by the management and relied upon by the Auditors.

JSW ENERGY LIMITED

ANNEXURE V –A

DETAILS OF SUNDRY DEBTORS

(Rs. Million)

Particulars	As at September 30,		As at March 31,				
	2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Unsecured, considered good Outstanding for a period:							
Not exceeding Six Months*	3,250.94	904.46	1,061.02	766.60	563.40	334.88	489.91
Exceeding Six Months	53.55	53.55	53.55	53.47	54.17	1,064.52	1,053.46
Total	**3,304.49**	**958.01**	**1,114.57**	**820.07**	**617.57**	**1,399.40**	**1,543.37**
Amount Due from Promoters/Promoters group companies and Directors included in Sundry Debtors, not exceeding Six Months above:							
- JSW Steel Limited	1,910.33	733.67	875.33	468.75	221.55	120.35	-
* excludes amount receivable, in respect of CER's and Service income on account of restatement	Nil	18.12	40.56	Nil	3275.63	3275.63	3112.88

JSW ENERGY LIMITED

ANNEXURE VI –A

DETAILS OF LOANS AND ADVANCES GIVEN

(Rs. Million)

Particulars	As at September 30,		As at March 31,				
	2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Secured, Considered Good							
Advances	-	-	-	-	0.02	0.27	0.68
Unsecured, Considered Good							
Advances recoverable in cash or in kind or for value to be received	757.51	319.15	626.22	122.25	34.60	27.97	21.34
Advance towards Preference/Equity Share Capital of subsidiaries & others	4,296.20	1,291.50	369.38	121.55	0.65	-	-
Loans to Body Corporate	-	-	-	-	-	-	200.00
Deposits with Government / Semi Government Authorities	0.80	3.40	18.77	4.76	0.17	0.17	0.20
Income Tax/ TDS (Net of Provision)	-	-	25.32	-	249.83	14.77	20.15
Sundry Deposits	571.40	431.40	461.40	431.47	205.30	205.97	205.25
Total	**5,625.91**	**2,045.45**	**1,501.09**	**680.03**	**490.57**	**249.15**	**447.62**
Amount due from Promoters/Promoters group companies and Directors included in Sundry Deposits above:							
- JSW Steel limited	64.88	64.88	64.88	64.88	64.88	64.88	64.88

JSW ENERGY LIMITED

ANNEXURE VII –A

DETAILS OF INVESTMENTS

(Rs. Million)

Particulars	As at September 30,		As at March 31,				
	2009	2008	2009	2008	2007	2006	2005
Long term Investments							
i) Government Securities	0.01	0.01	0.01	0.01	0.01	0.01	0.01
ii) In Equity Shares							
- Trade & Quoted							
JSW Steel Limited (JSWSL)	-	-	-	-	3,258.07	3,258.07	3,145.56
- Non Trade & Quoted							
Southern Iron & Steel Co. Limited	-	-	-	-	10.75	-	-
Tata Steel Limited	-	-	-	-	7.50	-	-
Steel Authority of India Limited	-	-	-	-	1.89	-	-
-Trade & Unquoted							
(a) In subsidiaries:							
JSW Power Trading Company Limited	700.15	700.15	700.15	700.15	699.75	199.74	-
RajWest Power Limited	11,124.99	7,858.59	10,694.99	6,808.59	1,648.52	18.52	-
JSW Energy (Vijayanagar) Limited	-	-	-	1,880.01	1,100.00	-	-
JSW Energy (Ratnagiri) Limited	7,060.71	4,550.01	5,885.01	4,550.01	500.00	-	-
PT. Parama Utama Jaya, Indonesia	178.45	178.45	178.45	178.45	178.45	-	-
JSW Energy Investments Private Limited	-	-	-	-	0.10	-	-
JSW Powertransco Limited	-	-	-	0.50	-	-	-
Jaigad PowerTransco Limited	433.12	0.50	433.12	-	-	-	-
JSW Energy (Raigarh) Ltd.	0.50	-	-	-	-	-	-
(b) In other companies:							
JSW Power Limited	-	-	-	-	-	-	339.60
JSW Energy Overseas Limited, Dubai	0.01	0.01	0.01	0.01	0.01	-	-
Toshiba JSW Turbine & Generator Pvt Ltd	440.00	-	220.00	-	-	-	-
MJSJ Coal Limited	0.11	-	0.11	-	-	-	-
iii) In Preference Shares							
-Trade & Unquoted							
(a) In subsidiaries:							
JSW Power Trading Company Limited	1,320.00	-	1,250.00	-	-	-	-
(b) In other companies:							
JSW Realty & Infrastructure Pvt Ltd	37.55	21.55	37.55	-	-	-	-
Total	**21,295.60**	**13,309.28**	**19,399.40**	**14,117.73**	**7,405.05**	**3,476.34**	**3,485.17**
Notes:							
Aggregate of Quoted Investments -							
Cost	-	-	-	-	3,278.21	3,258.07	3,145.56
Market value	-	-	-	-	6,803.90	4,160.97	4,632.00
Aggregate of Unquoted Investments -							
Cost	21,295.60	13,309.28	19,399.40	14,117.73	4,126.84	218.27	339.61

JSW ENERGY LIMITED

ANNEXURE VIII-A

ACCOUNTING RATIOS

Particulars		For the Half Year Ended September 30,		For the Year Ended March 31,				
		2009	2008	2009	2008	2007	2006	2005
Networth as per Annexure I- A (Rs. Million)	**A**	22,598.34	16,613.23	19,640.25	12,627.31	11,365.08	9,814.14	9,315.31
Net Profit as restated as per Annexure II-A (Rs. Million)	**B**	2,954.43	3,092.32	5,772.63	5,722.64	2,950.13	1,322.64	1,657.82
No. of Shares outstanding at the year / period end as per Balance Sheet	**C**	1,366,428,191	537,720,587	546,571,277	514,755,233	346,800,000	289,000,000	289,000,000
Bonus Shares - December 28, 2007 adjusted for earlier periods	**D**	-	-	-	-	167,955,233	139,962,694	139,962,694
Bonus Shares - July 28, 2009 adjusted for earlier periods	**E**	-	806,580,879	819,856,914	772,132,848	772,132,848	643,444,040	643,444,040
No. of Shares outstanding at the year/ period end (Post Bonus issue)	**F=C+D+E**	1,366,428,191	1,344,301,466	1,366,428,191	1,286,888,081	1,286,888,081	1,072,406,734	1,072,406,734
Weighted average number of shares outstanding during the year	**G**	1,366,428,191	537,720,587	546,571,277	514,755,233	318,137,534	289,000,000	289,000,000
Bonus Shares - December 28, 2007 adjusted for earlier periods	**H**	-	-	-	-	154,074,001	139,962,694	139,962,694
Bonus Shares - July 28, 2009 adjusted for earlier periods	**I**	-	806,580,879	819,856,914	772,132,848	708,317,301	643,444,040	643,444,040
Weighted average number of shares outstanding during the year/ period (Post Bonus issue)	**J=G+H+I**	1,366,428,191	1,344,301,466	1,366,428,191	1,286,888,081	1,180,528,836	1,072,406,734	1,072,406,734
Weighted average number of shares outstanding during the year/period for diluted EPS purpose	**K**	1,372,728,191	1,344,301,466	1,366,428,191	1,286,888,081	1,180,528,836	1,072,406,734	1,072,406,734
Adjusted Earnings per Share								
-(Basic) (Rs.)	**B/J**	**2.16**	**2.30**	**4.22**	**4.45**	**2.50**	**1.23**	**1.55**
-(Diluted) (Rs.)	**B/K**	**2.15***	**2.30**	**4.22**	**4.45**	**2.50**	**1.23**	**1.55**
Return on Net worth (%)	**B/A**	**13.07%**	**18.61%**	**29.39%**	**45.32%**	**25.96%**	**13.48%**	**17.80%**
Net Asset Value per Share as at year / period ended (Rs.)	**A/F**	**16.54**	**12.36**	**14.37**	**9.81**	**8.83**	**9.15**	**8.69**

Note:

i) 167,955,233 Equity Shares of Rs.10 each have been allotted as fully paid up Bonus Shares in the ratio of 4,843 Shares for every 10,000 shares held on December 28, 2007, by way of capitalisation of Reserves & Surplus. As a result, the issued, subscribed and paid up capital of the Company has increased from Rs. 3,468,000,000 to Rs. 5,147,552,330.

ii) 819,856,914 Equity Shares of Rs.10 each have been allotted as fully paid up Bonus Shares in the ratio of 3 Shares for every 2 shares held on July 28, 2009, by way of capitalisation of Reserves & Surplus. As a result, the issued, subscribed and paid up capital of the Company has increased from Rs. 5,465,712,770 to Rs. 13,664,281,910

The ratios have been computed as below

Adjusted Earnings Per Share (Rs.) = Net Profit as restated attributable to equity shareholders / Weighted Average number of equity shares outstanding during the year/period (Post Bonus issue)

Return on Networth (%) = Net Profit After Tax as restated / Networth excluding miscellaneous expenditure to the extent not w/off

Net Asset Value per equity share (Rs.) = Networth excluding miscellaneous expenditure to the extent not w/off / Number of equity shares outstanding at the end of the year /period (Post Bonus issue)

* The diluted EPS as at September 30,2009 is after considering the Pre-IPO allotment of 6,300,000 Equity shares of Rs. 10 each issued at a premium of Rs. 90 per share on November 16, 2009. If this Pre-IPO allotment is considered, the other accounting ratios would be as under:

Return on Net worth for the half year ended September 30, 2009	**12.72%**
Net Asset Value per Share as at September 30, 2009 (Rs.)	**16.92**

JSW ENERGY LIMITED

ANNEXURE IX-A

STANDALONE CAPITALISATION STATEMENT

(Rs. Million)

Particular	Pre Issue as at 30/09/2009	Post Issue *
Short Term Debt	837.00	
Long Term Debt	26,666.66	
Total Debt	**27,503.66**	
Equity Share Capital	13,664.28	
Reserves	8,934.06	
Total Shareholders' Fund	**22,598.34**	
Total Capitalisation		
Long Term Debt to Total Shareholders' Fund	**1.18:1**	**[●]**

** will be calculated after finalisation of Issue Price*

JSW ENERGY LIMITED

ANNEXURE X –A

STATEMENT OF CHANGES IN SHARE CAPITAL

Particulars	As at September 30,		As at March 31,				
	2009	2008	2009	2008	2007	2006	2005
Share Capital							
Authorised Share Capital							
No. of Equity Share of Rs. 10 each (In Million)	5,000	1,000	1,501	1,000	400	400	400
Amount (Rs. Million)	50,000.00	10,000.00	15,010.00	10,000.00	4,000.00	4,000.00	4,000.00
Issued, Subscribed & Paid Up							
No. of Equity Share (in Million) of at the beginning of the year	546.57	514.76	514.76	346.80	289.00	289.00	289.00
Add: Bonus Shares (in Million)	819.86	-	-	167.96	-	-	-
Add: Fresh Issue of Equity Shares (in Million)	-	22.96	31.81	-	57.80	-	-
No. of Equity Shares at the end of the year (in Million)	**1,366.43**	**537.72**	**546.57**	**514.76**	**346.80**	**289.00**	**289.00**
Amount (Rs. Million)	**13,664.28**	**5,377.21**	**5,465.71**	**5,147.55**	**3,468.00**	**2,890.00**	**2,890.00**

JSW ENERGY LIMITED

ANNEXURE XI-A

DETAILS OF ITEM OF OTHER INCOME WHICH EXCEED 20 PERCENT OF NET PROFIT BEFORE TAX

Particulars	For the Half Year Ended September 30,		For the Year Ended March 31,				
	2009	2008	2009	2008	2007	2006	2005
Other Income exceeding 20 percent of net profit before tax	NIL	NIL	NIL	NIL	NIL	NIL	NIL

JSW ENERGY LIMITED

ANNEXURE XII –A

DETAILS OF DIVIDEND DECLARED

Particulars	For the Half Year Ended September 30,		For the Year Ended March 31,				
	2009	2008	2009	2008	2007	2006	2005
Equity Shares - Face Value (Rs.)	10	10	10	10	10	10	10
- Final Dividend (%)	-	-	-	20%	50%	25%	-
- Final Dividend (Rs Million)	-	-	-	1029.51	1,734.00	722.50	-

ANNEXURE XIII –A

STATEMENT OF TAX SHELTERS

(Rs. Million)

Particulars		For the Half Year Ended September 30,		For the year Ended March 31,				
		2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
A	**Profit before Tax, as restated**	**3,727.68**	**3,559.07**	**6,661.94**	**6,610.61**	**3,427.35**	**1,572.81**	**1,941.09**
	Tax Rate	33.99%	33.99%	33.99%	33.99%	33.66%	33.66%	36.59%
	Tax at notional rate on profits	**1,267.04**	**1,209.73**	**2,264.40**	**2,246.95**	**1,153.65**	**529.41**	**710.24**
B	**Less: Permanent Differences**							
I	**Exempt Income**							
	Dividend Income exempt u/s 10(34)	-	-	-	-	281.80	64.24	25.64
ii	**Other adjustments**							
	Donations (Net of 80G Deductions)	(0.10)	(2.81)	(5.87)	(12.46)	(4.55)	(0.01)	(0.51)
	Disallowances u/s 14A	-	-	-	-	(0.53)	-	-
	Other Income	10.00	18.35	27.38	104.85	22.23	-	-
	Loss on sale of Investments	-	-	-	-	-	(33.80)	-
	Deduction u/s 80IA	2,695.55	1,244.74	3,271.98	6,922.94	2,587.92	1,171.22	1,374.52
	Total Permanent Differences	**2,705.46**	**1,260.29**	**3,293.49**	**7,015.33**	**2,886.87**	**1,201.65**	**1,399.65**
C	**Less: Timing Differences**							
	Difference between Tax & Book Depreciation	689.57	440.99	293.79	297.48	299.29	296.54	302.27
	Miscellaneous Expenses written off *	0.95	0.95	(46.77)	(68.74)	1.34	1.80	1.80
	Provisions disallowed	-	-	-	-	-	-	-
	Disallowances u/s 43B	(16.17)	(10.67)	(13.15)	(3.39)	(1.07)	(4.47)	(1.43)
	Profit/ (Loss) on sale of Fixed Assets	(0.22)	(1.23)	(2.03)	(1.03)	(0.25)	(0.39)	(1.05)
	Total Timing Differences	**674.13**	**430.04**	**231.84**	**224.31**	**299.31**	**293.48**	**301.59**
B+C	**Net Adjustments**	**3,379.59**	**1,690.33**	**3,525.33**	**7,239.64**	**3,186.18**	**1,495.13**	**1,701.24**
	Tax Savings thereon	**1,148.72**	**574.54**	**1,198.26**	**2,460.75**	**1,072.47**	**503.26**	**622.48**
D	**Income from other sources / Capital Gains**	10.00	18.35	27.38	104.85	22.23	-	-
E=A-(B+C)+D	**Taxable Income / (Loss)**	**358.10**	**1,887.09**	**3,163.99**	**(524.18)**	**263.40**	**77.68**	**239.85**
G	**Tax as per normal provisions**	**121.72**	**641.42**	**1,075.44**	**-**	**88.66**	**26.15**	**87.76**

* Net of amount allowable u/s 35D

Note: The above statement has been prepared based on the tax computation for the respective year/ period.

JSW ENERGY LIMITED

ANNEXURE I-B

CONSOLIDATED RESTATED STATEMENT OF ASSETS & LIABILITIES

(Rs. Million)

	Particulars	As at September 30,		As at March 31,			
		2009	2008	2009	2008	2007	2006
A.	**Goodwill on Consolidation**	171.19	171.12	171.82	172.08	171.36	0.03
B.	**Fixed Assets**						
	Gross Block (at cost)	29,642.15	11,327.91	11,518.89	11,143.85	10,865.17	10,730.73
	Less: Depreciation	5,821.97	5,042.97	5,349.19	4,742.10	4,152.19	3,567.04
	Net Block	**23,820.18**	**6,284.94**	**6,169.70**	**6,401.75**	**6,712.98**	**7,163.69**
	Capital Work in Progress (including capital advance)	79,874.31	48,786.82	79,189.89	27,419.79	2,728.78	116.13
	Total	**103,694.49**	**55,071.76**	**85,359.59**	**33,821.54**	**9,441.76**	**7,279.82**
C.	**Investments**	**1,994.72**	**218.44**	**1,704.73**	**207.32**	**3,675.07**	**3,454.91**
D.	**Current Assets, Loans and Advances**						
	Inventories	1,368.48	337.66	322.70	300.50	231.25	214.50
	Sundry Debtors	3,474.37	1,247.53	1,409.43	693.00	3,899.23	4,675.03
	Cash & bank balances	1,589.63	1,211.01	1,750.98	2,949.40	2,745.09	448.37
	Loans and advances	3,038.65	1,355.95	1,957.70	1,091.81	1,034.69	249.42
	Total	**9,471.13**	**4,152.15**	**5,440.81**	**5,034.71**	**7,910.26**	**5,587.32**
	Total Assets (A+B+C+D)	**115,331.53**	**59,613.47**	**92,676.95**	**39,235.65**	**21,198.45**	**16,322.08**
E.	**Liabilities & Provisions**						
	Advance towards Share Capital	**-**	**94.20**	**-**	**90.00**	**-**	**-**
	Minority Interest	**152.18**	**0.18**	**152.19**	**800.13**	**800.29**	**0.25**
	Loan funds						
	Secured Loans	75,756.85	38,275.36	59,265.85	22,720.90	6,045.10	4,383.10
	Unsecured Loans	1,005.78	5.78	5.78	5.78	1,025.78	5.78
	Deferred Tax Liability	953.95	748.14	814.49	685.02	559.24	442.93
	Current Liabilities & Provisions						
	Liabilities	19,915.23	7,286.23	17,637.24	3,811.40	1,142.37	369.56
	Provisions	71.72	203.05	23.73	1,208.31	424.65	1,295.85
	Total	**97,855.71**	**46,612.94**	**77,899.28**	**29,321.54**	**9,997.43**	**6,497.47**
F.	**Net worth [(A+B+C+D) – E]**	**17,475.82**	**13,000.53**	**14,777.67**	**9,914.11**	**11,201.02**	**9,824.61**
	Represented by:						
	Share Capital	13,664.28	5,377.21	5,465.70	5,147.56	3,468.00	2,890.00
	Reserves & Surplus	3,811.54	7,623.32	9,311.97	4,766.55	7,733.02	6,934.61
	Total	**17,475.82**	**13,000.53**	**14,777.67**	**9,914.11**	**11,201.02**	**9,824.61**

JSW ENERGY LIMITED

ANNEXURE II –B

CONSOLIDATED RESTATED STATEMENT OF PROFITS AND LOSSES

(Rs. Million)

Particulars	For the Half Year Ended September 30,		For the Year Ended March 31,			
	2009	2008	2009	2008	2007	2006
Income						
Income from Operations: -						
Sale of Power Generated	8,546.94	6,021.59	12,393.68	9,313.15	7,339.87	5,307.97
Power Traded	-	1,688.16	5,777.83	172.12	298.70	-
Sale of Certified Emission Reductions (CER's)	-	-	-	3,275.63	-	-
Operator Fees	88.91	85.50	178.70	170.50	130.70	110.32
Total Income from Operations	**8,635.85**	**7,795.25**	**18,350.21**	**12,931.40**	**7,769.27**	**5,418.29**
Other income	117.65	75.64	171.40	329.34	346.21	70.53
Total Income	**8,753.50**	**7,870.89**	**18,521.61**	**13,260.74**	**8,115.48**	**5,488.82**
Expenditure						
Purchase of Power	-	1,676.72	5,744.42	166.72	296.31	-
Cost of Fuel	3,244.22	3,040.90	6,202.40	3,121.60	2,647.72	2,558.07
Employees Cost	125.76	112.77	270.55	154.88	87.81	61.65
Operation, Maintenance & Other Expenses	345.10	398.12	814.32	723.39	460.41	380.60
Total Operating Expenses	**3,715.08**	**5,228.51**	**13,031.69**	**4,166.59**	**3,492.25**	**3,000.32**
Profit Before Interest, Depreciation, Tax and Amortisation (PBIDTA)	**5,038.42**	**2,642.38**	**5,489.92**	**9,094.15**	**4,623.23**	**2,488.50**
Interest and Finance Charges	1,095.47	514.97	1,209.43	885.54	629.79	497.39
Depreciation	467.36	299.58	602.08	586.03	583.05	579.61
Preliminary and Share issue expenses written off	11.18	-	-	0.18	-	-
Profit Before Tax	**3,464.41**	**1,827.83**	**3,678.41**	**7,622.40**	**3,410.39**	**1,411.50**
Provision for:						
Current Tax (including Fringe Benefit Tax)	649.12	420.65	782.01	1,125.72	389.59	109.67
Tax related to previous years	-	-	-	118.22	-	-
Deferred Tax	139.50	63.22	129.48	125.73	116.30	113.00
Profit After Tax (A)	**2,675.79**	**1,343.96**	**2,766.92**	**6,252.73**	**2,904.50**	**1,188.83**
Adjustments: - (Refer Note No. 5 (a) in Annexure IV-B)						
Sale of Certified Emission Reductions (CER's)	-	-	-	(3,275.63)	-	162.75
Preliminary and Share Issue expenses written off	10.59		(10.59)	-	(77.48)	-
Provision for Phased Overhauling Expenses				(147.30)	(51.20)	
Exchange Gain			-	(80.02)	-	-
Finance Charges	50.53				(50.53)	
Service Income	(40.56)	18.12	40.56	-	-	-
Total Adjustments	**20.56**	**18.12**	**29.97**	**(3,502.95)**	**(179.21)**	**162.75**
Tax impact on above adjustments	(1.69)	(3.08)	(6.89)	393.74	8.59	(18.44)
Tax impact - others	-	-	-	94.23	(13.04)	(9.51)

Particulars	For the Half Year Ended September 30,		For the Year Ended March 31,			
	2009	2008	2009	2008	2007	2006
Total Tax adjustments	**(1.69)**	**(3.08)**	**(6.89)**	**487.97**	**(4.45)**	**(27.95)**
Total Adjustments after tax impact (B)	**18.87**	**15.04**	**23.08**	**(3,014.98)**	**(183.66)**	**134.80**
Net Profit before minority interest, as restated (A+B)	**2,694.65**	**1,359.00**	**2,790.00**	**3,237.75**	**2,720.84**	**1,323.63**
Less: Minority Interest	-	-	-	-	0.02	-
Net Profit after minority interest, as restated	**2,694.65**	**1,359.00**	**2,790.00**	**3,237.75**	**2,720.82**	**1,323.63**
Restated Earnings Per Share - (Basic) (Rs)	1.97	1.01	2.04	2.52	2.30	1.23
- (Diluted) (Rs.)	1.96#	1.01	2.04	2.52	2.30	1.23

after considering pre-IPO allotment of 6,300,000 equity shares of Rs 10 each issued at a premium of Rs 90 per share on November 16, 2009

JSW ENERGY LIMITED

ANNEXURE III-B

CONSOLIDATED RESTATED CASH FLOW STATEMENT

(Rs. Million)

	Particulars	For the Half Year Ended September 30,		For the Year Ended March 31,			
		2009	2008	2009	2008	2007	2006
A	**Cash Flow from Operating Activities**						
	Net Profit before tax as restated	**3,484.97**	**1,845.95**	**3,708.38**	**4,119.45**	**3,231.18**	**1,574.25**
	Adjustment for:						
	Depreciation	467.36	299.58	602.08	586.03	583.05	579.60
	Interest Income	(13.37)	(24.56)	(38.37)	(109.62)	(45.80)	(5.60)
	Dividend Income	(7.00)	(12.37)	(11.93)	(0.71)	(299.23)	(64.20)
	Preliminary and Share Issue expenses written off	0.59	-	39.99	0.19	-	-
	Amortisation of Employee Share payments	3.67	3.66	7.33	2.09	-	-
	Loss on Sale of Fixed Assets	0.32	1.20	2.07	1.07	0.28	0.40
	Loss on Sale of Long Term Investments			-	-	-	33.80
	Interest & finance charges	1,044.94	514.97	1,209.43	885.54	680.53	497.39
	Foreign Exchange Loss / (Gain)	(16.73)	(0.02)	(0.81)	25.07	-	-
	Sub Total	**1,479.78**	**782.46**	**1,809.79**	**1,389.66**	**918.83**	**1,041.39**
	Operating profit before working capital changes	**4,964.75**	**2,628.41**	**5,518.17**	**5,509.11**	**4,150.01**	**2,615.64**
	Adjustments for:						
	Changes in Trade and other Receivables	(2,064.95)	(554.53)	(716.43)	3,495.03	332.58	(18.85)
	Changes in Trade and other Payables	3,008.76	1,310.36	1,095.86	283.54	710.59	55.98
	Changes in Inventories	(1,045.78)	(37.16)	(22.20)	(69.30)	(16.70)	(10.40)
	Loans & Advances	(1,289.89)	(108.36)	(437.01)	(90.92)	(234.25)	183.21
	Cash from operations	**3,572.89**	**3,238.72**	**5,438.39**	**9,127.46**	**4,942.23**	**2,825.58**
	Income Taxes Paid	(576.68)	(394.18)	(755.23)	(1,246.10)	(397.64)	(103.91)
	Net cash from operating activities	**2,996.21**	**2,844.54**	**4,683.16**	**7,881.36**	**4,544.59**	**2,721.67**
B	**Cash Flow from Investing Activities**						
	Purchase of Fixed Assets including Intangible Assets, CWIP & Preoperative Expenses	(19,454.01)	(18,703.18)	(38,801.21)	(22,561.34)	(3,152.23)	(106.57)
	Interest Income	13.37	24.56	38.37	109.62	45.80	5.60
	Dividend Income	7.00	12.37	11.93	0.71	299.23	64.21
	Investment in Associates (including advances)	(111.77)	(16.10)	(1,701.44)	70.50	(220.91)	(3.80)
	Preliminary expenses incurred	(0.60)	-	(10.59)	(0.18)	-	-
	Sale of Investments	-	10.50	-	-	-	-
	Sale of Fixed Assets	0.43	3.00	3.00	0.44	0.76	0.71

	Particulars	For the Half Year Ended September 30,		For the Year Ended March 31,			
		2009	2008	2009	2008	2007	2006
	Net cash from/ (used in) investing activities	**(19,545.58)**	**(18,668.85)**	**(40,459.94)**	**(22,380.25)**	**(3,027.35)**	**(39.85)**
C	**Cash Flows from Financing Activities**						
	Proceeds from further equity issued	-	94.38	495.30 *	90.00	1,378.00	-
	Proceeds from/(Repayments of) Borrowings (Net)	17,487.14	15,594.46	36,544.93	15,749.25	2,695.00	(1,778.13)
	Interest & finance charges paid	(1,099.01)	(533.27)	(1,217.33)	(1,166.20)	(692.52)	(491.59)
	Dividend Paid		(1,029.50)	(1,204.50)	-	(2,801.00)	-
	Net cash from/ (used in) financing activities	**16,388.13**	**14,126.07**	**34,618.40**	**14,673.05**	**579.48**	**(2,269.72)**
	Net (Decrease) / Increase in cash and cash equivalents	**(161.24)**	**(1,698.24)**	**(1,158.38)**	**174.16**	**2,096.72**	**412.10**
	Cash and cash equivalents at beginning of year/ period	1,550.87	2,709.25	2,709.25	2,535.09	438.37	26.26
	Cash and cash equivalents at end of year/ period	1,389.63	1,011.01	1,550.87	2,709.25	2,535.09	438.37

Notes:
Cash and cash equivalents exclude balance in margin money.
* Includes equity received by erstwhile merged subsidiary.

ANNEXURE IV-B

JSW ENERGY LIMITED

Significant Accounting Policies and Notes to Consolidated Statements of Profits & Losses and Assets & Liabilities, as restated:

1. Overview of the Group

JSW Energy Limited (the Parent company), its Subsidiaries and Jointly Controlled Entity, collectively is referred to as 'the Group'. The Group is primarily engaged in the business of generation of power, operation & maintenance of power plants and trading in power.

2. Basis of preparation

The consolidated financial statements (CFS) are prepared in accordance with Accounting Standard (AS) 21-"Consolidated Financial Statements" and Accounting Standard (AS) 27 - "Financial Reporting of Interests in Joint Ventures", prescribed by the Companies {Accounting Standards Rules), 2006.

3. Principles of Consolidation

i. The financial statements of the Parent Company and its Subsidiaries have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating intra-group balances and the unrealised profits/losses on intra-group transactions, and are presented to the extent possible, in the same manner as the Company's independent financial statements.

ii. The group's interest in Jointly Controlled Entity is consolidated on a line-by-line basis by adding together the book values of assets and liabilities, income and expenses after eliminating the unrealised profits /losses on intra-group transactions.

iii. Goodwill on consolidation

The excess of cost to the Parent company of its investment in Subsidiaries over the Parent's portion of equity of the Subsidiaries, at the date on which investment in Subsidiaries is made, is recognised as Goodwill in the Consolidated Financial Statements.

iv. **Companies included in Consolidation**

	Date of becoming Subsidiary/ Joint Venture	**Proportion of ownership interest as at Sept 30,**		**interest as at March 31,**			
		2009	**2008**	**2009**	**2008**	**2007**	**2006**
Subsidiaries:							
Incorporated in India							
JSW Power Trading Company Ltd.	From July 8, 2005	100.00%	100.00%	100.00%	100.00%	99.96%	99.875%
JSW Energy (Vijayanagar) Ltd.	From May 5, 2006 to March 31, 2008	Nil	Nil	Nil	70.15%	57.89%	Nil
JSW Energy (Ratnagiri) Ltd.	From June 30, 2006	100.00%	100.00%	100.00%	100.00%	99.99%	Nil
Jaigad PowerTransco Limited	From July 29, 2008	74.00%	74.00%	74.00%	Nil	Nil	Nil
RajWest Power Ltd.	From February 10, 2006	100.00%	100.00%	100.00%	100.00%	99.99%	99.99%
JSW Energy (Raigarh) Limited	From August 31, 2009	100.00%	Nil	Nil	Nil	Nil	Nil
JSW Energy Investments Pvt.	From February 19, 2007 to March 31,	Nil	Nil	Nil	Nil	100%	Nil

	Date of becoming Subsidiary/ Joint Venture	Proportion of ownership interest as at Sept 30,		interest as at March 31,			
		2009	2008	2009	2008	2007	2006
Ltd.	2007						
JSW PowerTransco Limited	From July 3, 2007 to March 31, 2008	Nil	Nil	Nil	100%	Nil	Nil
Incorporated in Indonesia							
P.T Param Utama Jaya	From January 18, 2007	100.00%	100.00%	100%	100%	100%	Nil
Joint Venture:							
Incorporated in India							
Barmer Lignite Mining Company Ltd.	From January 19, 2007	49%	49%	49%	49%	49%	Nil

4. Company excluded from consolidation:

JSW Infrastructure & Logistics Limited (JILL) was a subsidiary during the period from July 31, 2006 to March 30, 2007 and an associate from March 31, 2007 to May 11, 2007 of JSW Energy (Ratnagiri) Limited.

JILL has been excluded from consolidation in accordance with relevant Accounting Standards, as the control was intended to be temporary and the investment was acquired with a view to its subsequent disposal in the near future.

Toshiba JSW Turbine & Generator Private Limited and MJSJ Coal Limited have been excluded from consolidation and for disclosure of interest in accordance with relevant accounting standards, as the company is not having any control over the said joint venture entity.

5. Significant Accounting Policies

(a) General

The financial statements are prepared under the historical cost convention, on the accounting principles of a going concern and as per applicable accounting standards. The Group follows mercantile system of accounting and recognises income and expenditure on accrual basis except those with significant uncertainties.

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual result could differ from these estimates. Any revision to accounting estimates is recognised prospectively.

(b) 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.

i. Revenue from sale of power is recognised when substantial risks and rewards of ownership is transferred to the buyer under the terms of the contract.

ii. Revenue from construction / project related activity:

Revenue from construction contract are recognised by reference to the overall estimated profitability of the contract under the percentage of completion method. Foreseeable losses in any contract are provided irrespective of the stage of completion of the contract activity. The stage of completion of the contract is determined considering the nature of the contract, technical evaluation of work completed / measurement of physical progress and proportion of the cost incurred to the estimated total cost.

Contracts cost comprise all cost that relate directly to the specified contract, incidental cost attributable to the contract including allocated overheads and warranty cost.

iii. Operator fees and other income is accounted on accrual basis as and when the right to receive arises.

(c) Use of Estimates

The Preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities and disclosure of contingent liabilities on the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and are recognized in the periods in which the results are known / materialized.

(d) Fixed Assets

Fixed assets are recorded at cost which include all direct and indirect expenses upto the date of acquisition, installation and / or commencement of commercial generation of power.

Expenditure incurred during construction period:

Apart from costs related directly to the construction of an asset, indirect expenses incurred up to the date of commencement of commercial production which are incidental and related to construction are capitalised as part of construction cost. Income, if any, earned during the construction period is deducted from the indirect costs.

(e) Depreciation

Depreciation is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

Depreciation on impaired assets related to a cash generating unit is provided by adjusting the depreciation charge in the remaining periods so as to allocate the revised carrying amount of the asset over its remaining useful life.

Lease Improvement Costs is amortised over the period of the lease

Leasehold land is not amortised in case the lease is convertible into Freehold Land under the lease agreement at a future date at no additional cost.

(f) Intangibles

Intangible Assets consisting of Membership fee for Power Trading Exchanges and Exchange Trading Software is amortised over the estimated useful life of 3 years.

The Group capitalises software where it is reasonably estimated that the software has an enduring useful life. Software is depreciated over an estimated useful life of 3years.

(g) Impairment of assets

In accordance with Accounting Standard -28 ‘Impairment of assets’ where there is an indication of impairment of the Company’s 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 recognized in the profit and loss account whenever the carrying amount of such assets exceed its recoverable amount.

(h) Borrowing Costs

Borrowing Costs (including exchange difference) directly attributable to the acquisition or construction of qualifying assets as defined in Accounting Standard (AS) -16 on “Borrowing Costs” are capitalized as part of cost of such asset upto the date when such asset is ready for its intended use.

Other borrowing costs are charged to revenue.

(i) Investments

Long term Investments are stated at cost. In case, there is a decline other than temporary in the value of any investments, a provision for the same is made.

Current investments are stated at lower of cost and fair value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the profit & loss account.

(j) Inventories

Inventories are valued at lower of cost and net realisable value. Cost is determined on the basis of weighted average. Obsolete, defective and unserviceable stocks are duly provided for wherever applicable.

(k) Foreign Currency Transactions

Foreign currency 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 year end rates.

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 and accounted accordingly. 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.

In translating the financial statements of subsidiary companies’ non integral foreign operations, for incorporation in the consolidated financial statements, the assets and liabilities, both monetary and non monetary are translated at the closing rate, the income and expense items of the subsidiary company are translated at exchange rates at the dates of the transactions and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

The exchange differences are adjusted to carrying cost of the fixed assets if they relate to such fixed assets and to profit and loss account in other cases.

(l) Employee benefits

Retirement benefits in the form of Provident Fund and Family pension Scheme are defined contribution schemes and the contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Stock Based Compensation - The compensation cost of stock options granted to employees is calculated using the intrinsic value of the stock options. The compensation expense is amortised uniformly over the vesting period of the option.

Gratuity liability under the Payment of Gratuity Act, 1972 is a defined benefit obligation and is provided for on the basis of the actuarial valuation made at the end of each financial year.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation.

Actuarial gains/ losses are immediately taken to profit and loss account and are not deferred.

(m) Taxation

Income tax expenses comprise current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charges or credit (reflecting the tax effects of timing differences between accounting income and taxable income of the year).

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.

Tax credit is recognised in respect of Minimum Alternate Tax (MAT) paid in terms of Section 115JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and the same is reviewed at each balance sheet date.

(n) Provisions and Contingent Liabilities

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

a) the Company has a present obligation as a result of a past event.

b) a probable outflow of resources is expected to settle the obligation and

c) the amount of the obligation can be reliably estimated

Where some or all the expenditure required to settle a provision is expected to be reimbursed by another party, such reimbursement is recognised to the extent of provision or contingent liability as the case may be, only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of

a) a present obligation arising from a past event, when it is not probable that a outflow of resources will be required to settle the obligation.

b) a possible obligation, unless the probability of outflow of resources is remote.

6. Notes to Consolidated Accounts

(a) Adjustments to Restated Consolidated Statement of Profits & Losses and Assets & Liabilities:

i. Revenue recognised on sale of Certified Emission Reductions (CER's) during the year ended March 31, 2008 has now been restated to the respective years to which they relate.

Service income aggregating to Rs 40.56 million accounted in fiscal 2010 has been restated to the fiscal 2009 to which it relates.

Sundry Debtors include amount receivable in respect of CER's and Service income on account of restatement.

As at Sept 30		As at March 31,			
2009	2008	2009	2008	2007	2006
Nil	18.12	40.56	Nil	3,275.63	3,275.63

ii. Preliminary and share issue expenses incurred and accounted to preoperative expenses pending allocation by subsidiaries, have now been charged off to the respective year in which it was incurred to follow the accounting policy followed by the group.

iii. Provision for Phased Overhauling Expenses written back in the year 2007-08 has been restated and written back in the respective years in which provision was made.

iv. The adjustments relating to exchange gain (due to recent amendment to Accounting Standard (AS) 11 on "Effects of changes in Foreign Exchange Rates") is related to the year 2007-08.

v. Income tax of earlier years paid during the year 2007-08 (due to disallowance of deferred tax liability and provision for phased overhauling expenses during assessment) has been restated and provided in the respective years to which they relate.

vi. Finance charges of Rs 50.53 million written off in fiscal 2010 has been restated and written off in the fiscal 2007 to which it relates

vii. Current Tax Impact of above mentioned adjustments on restatement has been provided, wherever applicable, at the appropriate tax rate.

(b) Contingent Liabilities not provided for in respect of:

(Rs. Million)

Particulars	As at Sept 30		As at March 31	
	2009	2008	2009	2008
Bank Guarantees Outstanding	2719.70*	2275.78*	2668.60*	2816.27*
Income Tax matters (excluding interest, if any)	62.30	47.20	62.30	47.03

* Refer Note No. 5 (d) below.

(c) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances):

(Rs. Million)

Particulars	As at Sept 30		As at March 31		
	2009	2008	2009	2008	2007
Estimated amount of contracts (net of advances)	26632.40	57606.10	37,077.20	6,4596.80	15135.39

(d) The Parent Company was supplying power to Karnataka Power Transmission Corporation Limited (KPTCL) on the basis of the rate approved by Govt of Karnataka, which was incorporated in the Power Purchase Agreement (PPA), dated 27th November, 2000. On the application by KPTCL to Karnataka Electricity Regulatory Commission (KERC) for approval of PPA, KERC had passed Order in July 2002 reducing the tariff retrospectively from 1st August 2000. The Company's appeal against the said Order was decided by the Karnataka High Court vide its Order dated 8th April, 2004 in favour of the Company. KPTCL and KERC filed Special Leave Petition before the Honourable Supreme Court challenging the Order of Karnataka High Court. As against the outstanding amount of Rs. 1053.50 Million, in terms of the interim order dated 23rd January 2007 of Supreme Court, KPTCL paid Rs.1000 million against bank guarantee provided by the Company. The balance amount of Rs. 53.50 million due from KPTCL is included in Sundry Debtors and considered as good and recoverable.

(e) Capital Work-in-progress include:

(Rs. Million)

Particulars	As at Sept 30		As at March 31,			
	2009	2008	2009	2008	2007	2006
Capital Advances (Unsecured Considered Good)	6,933.00	9,115.06	7,141.43	8,174.54	1643.15	0.17
Building under Construction	-	-	-	-	273.49	-

Particulars	As at Sept 30		As at March 31,			
	2009	2008	2009	2008	2007	2006
Plant & Machinery under Erection	77,261.94	33,451.05	58,741.92	13,830.13	391.69	93.59
Civil Work	509.47	302.50	3,836.69	3,100.54	81.62	-
Software under implementation	13.07	-	9.10	-		-
Right under JV agreement	49.98	49.98	49.98	49.98	-	-
Less: Amount Transferred to fixed assets	13,952.11	-	-	-	-	-
[A]	**70,815.35**	**42,918.59**	**69,779.12**	**25,155.19**	**2,389.95**	**93.76**
Pre-operative expenses pending allocation:						
Opening Balance	9,410.77	3,097.79*	3,097.79*	338.83	22.37	15.37
Power and Fuel	1,909.25	-	34.40	-	-	-
Employees Cost	29.40	-	-	-	-	-
Consumption of Stores & Spares	1.18	0.10	-	-	-	-
Rates & Taxes	12.51	10.39	29.11	6.46	13.00	4.55
Insurance	39.09	36.04	88.24	50.50	6.37	-
Lease Rent	2.27	1.31	2.83	0.10	1.19	0.06
Legal and professional expenses	62.65	72.14	175.23	74.57	-	
Project Management Expenses	366.59	1,163.32	1,454.56	384.74	-	-
Terminal Bay Construction Expenses	-	3.20	116.00	-	-	-
Repairs & Maintenance	3.11	1.00	3.59	0.71	0.12	0.00
Traveling and Conveyance	23.82	12.64	36.15	28.79	-	
Water & Electricity	83.00	16.94	46.30	-	-	-
General Expenses	94.77	75.99	165.69	218.64	215.02	2.34
Interest on Fixed Loans	2,961.50	1,261.33	3,591.97	401.12	3.45	-
Other Borrowing Costs	92.76	94.24	307.36	586.21	33.13	-
Depreciation	5.66	3.28	10.44	4.70	3.34	0.01
Income Tax	1.14	11.13	13.06	5.54	6.97	-
Fringe Benefit Tax	-	0.76	2.07	1.49	0.74	0.04
Exchange Loss	-	40.47	277.61	181.93	59.04	-
[B]	**15,099.47**	**5,902.07**	**9,452.40**	**2,284.33**	**364.74**	**22.37**
Less: Interest Received	3.51	17.10	22.61	18.23	20.68	-
Revenue from Sale of Power	1,584.67	-	-	-	-	-
Income from Sale of Liquid Fund units	-	16.47	-	-	-	-
Misc. Income Received	-	0.27	19.02	-	-	-
Exchange Gain	321.44	-	-	-	-	-
Dividend	-	-	-	1.42	-	-
Rent Received	-	-	-	0.08	0.03	-
Transfer to Fixed Assets	4,130.89	-	-	-	5.20	-
[C]	**6,040.51**	**33.84**	**41.63**	**19.73**	**25.91**	**-**
TOTAL [A+B-C]	**79,874.31**	**48,786.82**	**79,189.89**	**27,419.79**	**2,728.78**	**116.13**

* Opening Balance of Pre-Operative expenses for the year 2008-09 include 833.19 Million on account of merger of JSW Energy (Vijayanagar) Ltd., with the Company

(f) The sale of power by the Group to Power Company of Karnataka Limited ("PCKL" or "Customer") during the month of December 2008, at an invoiced rate of 8.50 per unit has been paid for by the Customer at Rs. 6.50 per unit and the balance amount computed at the rate of Rs. 2 per unit amounting to a sum of Rs. 246.50 Million has been disputed for payment by the said Customer.

In view of the uncertainty relating to the recovery of the said disputed amount, the revenue in respect of the same has not been recognized during the year and has been postponed for recognition at the time when its ultimate recovery can be determined with certainty.

(g) The Group has sold 1,08,00,000 units of power to certain customers during the period 6th June, 2009 till 8th June , 2009 at Rs 6.50 per unit, the invoiced amount of which aggregates to Rs. 70.20 million. The same is pending confirmation by the said customers. In view of the uncertainty relating to the recovery of the dues towards the above, the revenue in respect of the same has not been recognized during the period and has been postponed for recognition at the time when its ultimate recovery can be determined with certainty. As a matter of prudence and in accordance with the accounting policy followed by the Company, the aforesaid amount will be recognised as revenue only on certainty of recovery.

(h) The proportionate share in the assets, liabilities of Joint Venture Entity included in these consolidated financial statements are given below:

(Rs. Million)

Particulars	As at Sept 30		As at March 31		
	2009	2008	2009	2008	2007
Assets					
Fixed Assets (net) including CWIP	1567.72	465.44	472.94	229.06	161.51
Current Assets	0.38	1.41	0.36	1.06	1.84
Total Assets	**1568.10**	**466.85**	**473.30**	**230.12**	**163.35**
Liabilities					
Share Capital	98.00	98.00	98.00	98.00	0.20
Advance Against Share Capital	-	-	-	-	47.94
Unsecured Loan	1466.46	368.37	371.31	127.29	113.81
Current Liabilities	3.64	0.48	3.99	4.83	1.40
Total Liabilities	**1568.10**	**466.85**	**473.30**	**230.12**	**163.35**

Also refer note 4 above

(i) Capital Work in Progress in Schedule ‘E’ includes Rs. 156.77 crores being the Company’s share of expenditure incurred on development of lignite mines at Kapurdi and Jalipa in joint venture with Rajasthan State Mines and Minerals Limited (RSMML). The expenditure incurred will be amortised from the year of commencement of operation, in the ratio of quantum of lignite extracted and the total reserve estimated.

(j) Scheme of amalgamation:

Amalgamation of JSW Energy (Vijayanagar) Ltd. (JSWEVL) and JSW PowerTransco Ltd (JSWPTL) (Transferor Companies) with the Company :

A Scheme of Amalgamation (Scheme) of the Transferor Companies with the Company was sanctioned by the Hon’ble High Court of Judicature of Bombay vide its order dated 10th October 2008. The transferor companies JSWEVL and JSWPTL are in the business of generation and transmission of power respectively. The Amalgamation is in the nature of a merger as defined by Accounting Standard (AS) 14 “Accounting for Amalgamations “issued by the Institute of Chartered Accountants of India. Entries have been passed in the books of account to give effect to the Scheme, as follows:

With effect from the Appointed date i.e 1st April 2008, all the assets and liabilities recorded in the books of the Transferor Companies are transferred to and vested in the Company pursuant to the Scheme and are recorded by the Company at their book values.

3,18,16,044 Equity shares of Rs 10 each at par are allotted to the equity shareholders of JSWEVL in the ratio of 258 shares of the Company for every 1000 equity shares of JSWEVL.

The Company’s 100% equity shareholding in JSWPTL has been cancelled.

The Amalgamation has been accounted for under the “ Pooling of Interests Method” as prescribed by Accounting Standard (AS) 14 ”Accounting for Amalgamations”.

Difference of Rs 915.00 Million between the amount of shares allotted to the shareholders of erstwhile JSWEVL & JSWPTL and the Value of net assets acquired has been credited to General Reserve. As Per Accounting Standard (AS) 14 “ Accounting for Amalgamations” Rs. 914.80 Million (net of loss of Rs. 0.20 Million of in respect of JSW Power Transco Ltd.) was to be credited to Capital Reserve but since the scheme provided for its credit to General Reserve, the same has been so credited which is also permitted by aforesaid Accounting standard.

(k) (a) In the opinion of the Management, the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet. Provision for depreciation and all known liabilities is adequate and not in excess of what is required.

(b) The Company is yet to receive balance confirmations in respect of certain sundry creditors and advances. The Management does not expect any material difference affecting the current year's financial statements due to the same.

(l) The foreign currency exposures that:

(i) have not been hedged by a derivative instrument or otherwise as at Balance Sheet date are given below:

Particulars	Euro (Million)	USD (Million)	Rupees (Million)
a. Capital Advances	**0.29**	**7.84**	**376.65**
(as on 31/03/09)	(-)	(23.62)	(1222.9)
(as on 30/09/08)	(0.29)	(32.40)	(1540.49)
b. Pending Capital Commitments	**0.29**	**106.87**	**5133.85**
(as on 31/03/09)	(0.29)	(283.62)	(14469.8)
(as on 30/09/08)	(0.29)	(492.68)	(23145.81)
c. Secured Loan	**-**	**6.73**	**323.20**
(as on 31/03/09)	(-)	(9.42)	(480.0)
(as on 30/09/08)	(-)	(12.11)	(568.80)
d. Creditors	**-**	**104.15**	**5003.19**
(as on 31/03/09)	(-)	(81.86)	(4170.7)
(as on 30/09/08)	(-)	(35.58)	(1670.17)

(ii) have been hedged by a derivative instrument or otherwise as at Balance Sheet date are given below:

Particulars	As at Sept, 30		As at March, 31	
	2009	2008	2009	2008
Pending Capital Commitments - USD (Million)	-	-	-	8.00
- Rs. (Million)	-	-	-	320.90

(m) Deferred Tax Liability consists of timing differences due to depreciation. Rs.953.96 Million (As on 30/09/08 Rs. 748.14 Million ; As on 31/03/09 Rs. 814.49 Million)

(n) Employees Benefits:

(i) Defined benefit plans – as per actuarial valuations as on 30/09/2009:

Details of Gratuity plan are as follows:

(Rs. Million)

Description	30.09.2009	30.09.2008	31.03.2009	31.03.2008
1. Reconciliation of opening and closing balances of obligation				
a. Opening balance	13.27	8.76	8.70	7.30
b. Current Service Cost	2.92	1.48	4.30	2.80
c. Interest Cost	0.46	0.31	0.60	0.60
d. Actuarial (gain)/loss	(0.09)	(0.27)	(0.10)	(0.30)
e. Benefits paid	(0.33)	-	(0.30)	(1.70)
f. Closing balance	16.22	10.27	13.20	8.70
2. Change in Plan Assets (Reconciliation of opening & closing balances)				
a. Opening Fair Value of plan assets	10.50	7.79	6.50	6.90
b. Actual Company Contributions	2.00	-	2.20	0.80

Description	30.09.2009	30.09.2008	31.03.2009	31.03.2008
c. Expected return on plan assets	0.45	0.31	0.60	0.60
d. Actuarial Gain /(loss)	0.03	0.02	1.50	-
e. Benefits paid	(0.33)	-	(0.30)	(1.70)
f. Closing Fair Value of plan assets	12.65	8.12	10.50	6.50
3. Reconciliation of fair value of assets and obligations				
a. Present value of obligation	16.22	10.27	13.20	8.70
b. Fair value of plan assets	12.65	8.12	10.50	6.50
c. Amount recognised in the balance sheet as provision	3.57	2.15	2.70	2.20
4. Expense recognized in the period				
a. Current service cost	2.92	1.48	4.30	2.80
b. Interest cost	0.46	0.31	0.60	0.60
c. Expected return on plan assets	(0.45)	(0.31)	(0.60)	(0.60)
d. Actuarial (gain)/loss	(0.09)	(0.27)	(0.10)	(0.30)
e. Expense recognized	2.83	1.20	4.20	2.50
5. Investment Details				
The full amount has been invested in cash accumulation scheme of Life Insurance Corporation of India				
6. Assumptions	30/09/2009	30/09/2008	31/03/2009	31/03/2008
a. Discount rate (per annum)	7%	7%	7%	8%
b. Estimated rate of return on plan assets (per annum)	8%	8%	8%	8%
c. Rate of escalation in salary (per annum)	5%	5%	5%	5%

(ii) Employee Share based Payment Plans:

a. During the year ended 30th September 2009, the Company has three share-based payments arrangements, which are described below:

Particulars	Scheme 1 (General Manager & Above)	Scheme 2 (Junior Manager to General Manager)	Scheme 3 (Assistant Vice President & Above)
Date of grant	December 19, 2007	December 19, 2007	December 19, 2007
Number granted	7349	19199	35231
Vesting Period	3 years service	3 years service	3 years service
Method of settlement	Cash	Cash	Cash
Exercise Price	600	800	900

b. Expenses arising from employee's share-based payment plans debited to P&L Account Rs.3.60 Million (As on Sept 08 Rs. 3.70 Million ; As on 31/03/09 Rs. 7.33 Million).

(o) There are no reportable segments as per Accounting Standard 17, prescribed by the Companies (Accounting Standards) Rules, 2006.

(p) The Group has taken certain premises on cancelable / non cancelable Operating lease arrangement with:

(a) JSW Steel Limited

Major terms of the agreement are as under

(Rs. Million)

Particulars	As at September 30,		As at March 31,			
	2009	2008	2009	2008	2007	2006
Annual Lease rent	0.02	0.02	0.02	0.02	0.02	0.02
Tenure of Lease	Lease agreement valid till 31st March, 2033					
Lease Deposit	64.88	64.88	64.88	64.88	64.88	64.88

(b) Ramakrishna Associate Pvt. Limited along with Seven others

Major Terms of the agreement are as under:

Particulars	As at September 30,		As at March 31,	
	2009	2008	2009	2008
Annual Lease rent	12.11	14.14	14.90	14.90
Tenure of Lease	Lease agreement valid till 31st December, 2010			
Lease Deposit	3.30	3.30	3.30	3.30

(Rs. Millions)

The Total of Future Minimum lease payments under non-cancellable operating lease for each of the following period are as under.	As at Sept 30		As at March 31	
	2009	2008	2009	2008
A) Not later than 1 year	12.11	13.62	14.69	14.94
B) Later than 1 year and not later than 5 years	3.03	15.14	11.02	25.71
C) Later than 5 years	-	-	-	-

(q) The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

(r) (i) Capital Advance include Rs. 750 million (As on 30/09/08 Rs.750 million ; As on 31/03/09 Rs. 750 million) paid towards acquisition of a office / residential property to be constructed.

(ii) Loans and Advance include Rs. 58 million (As on 30/09/08 Rs. 59.10 million ; As on 31/03/09 Rs. 58 million) paid as interest free loan to JSW Energy Employees Welfare Trust.

(s) Related Party Transactions

A LIST OF RELATED PARTIES

i Associates/Parties with whom the Group has entered into transactions:

1 JSW Steel Limited
2 JSW Energy Overseas Limited, Dubai
3 JSoft Solutions Limited
4 Windsor Residency Private Limited
5 Vinamra Properties Private Limited (Formerly Known as Tarini Properties Private Limited)
6 Toshiba JSW Turbine & Generator Private Limited
7 MJSJ Coal Limited
8 JSW Infrastructure & Logistics Ltd (JSWILL)
9 JSW Investment Private Limited (JSWIPL)
10 JSW Jaigarh Port Limited (JPR)
11 JSW Cement Limited (JSWCL)
12 Jindal Technologies & Management Services Pvt Limited (JTMS)
13 Sun Investments Private Limited
14 Gagan Trading Company Limited
15 JSW Energy Investments Private Limited (from April 1, 2007)
16 South West Infrastructure Private Limited

ii Key Managerial Personnel

1 Mr. Sajjan Jindal – Chairman & Managing Director – From January 1, 2009
2 Mr. S.S.Rao - Jt. Managing Director & CEO
3 Mr. Raaj Kumar – Jt. Managing Director & CEO (upto August 31, 2007)
4 Mr. K.T.Krishna Deshika – Director – Finance (upto April 16, 2007)
5 Mr. Satish Jindal – Director - JSW Power Trading Company Limited

iii Joint Venture

1 Barmer Lignite Mining Company Limited

B. Related Party Transactions

	Nature of Transactions	As at Sept 30		As at March 31			
		2009	2008	2009	2008	2007	2006
A. Transactions :							
1	**Sale of power to**						
	JSW Steel Limited	2528.20	203.30	923.87	146.29	-	168.30
2	**Service Received from (Excluding Service Tax)**						
	JSW Steel Limited (Coal Handling)	16.70	-	-	-	-	-
	Sun Investment Private Limited	-	-	-	-	67.34	66.12
	JSoft Solutions Limited	22.70	10.00	17.79	28.67	-	-
	Jindal Technologies & Management Services Pvt Ltd	0.96	-	0.72	-	-	-
3	**Service Rendered to: (Excluding Service Tax)**						
	JSW Steel Limited	88.90	85.50	178.69	170.50	130.69	110.32
	Toshiba JSW Turbine & Generator Pvt Ltd.	63.10	-	-	-	-	-
4	**Trade Advance Received from**						
	JSW Steel Limited	1,100.00	-	300.00	1000.00	-	-
5	**Purchase of Fuel / Goods**						
	JSW Steel Limited	4,141.72	3100.80	6942.28	3941.90	2658.30	2582.72
	JSW Cement Limited	-	-	1.97	-	-	-
6	**Amount paid / payable for Acquisition of Office/Residential Properties**						
	Vinamra Properties Private Limited	-	-	-	35.10	-	-
7	**Advance paid for Acquisition of Office/Residential Properties**						
	Windsor Residency Private Limited (Advance)	45.00	-	-	750.00	-	-
8	**Lease Deposit Paid / (Received)**						
	JSW Steel Limited	-	-	-	30.70	-	-
	JSW Jaigarh Port Limited			(3.06)	-	-	-
9	**Purchase of Free Hold Land**						
	JSW Steel Limited	0.86	-	9.87	22.80	-	-
10	**Rent Paid**						
	JSW Steel Limited	-	6.30	6.48	4.16	-	-
11	**Expenses Incurred**						
	JSW Realty & Infrastructure Private Limited	-	-	0.61	-	-	-
12	**Dividend Received**						
	JSW Steel Limited	7.00	11.90	11.90	-	-	-
13	**Reimbursement of :**						
	(i) Grid support charges from JSWSL paid to KPTCL	13.00	12.60	25.15	23.96	22.82	21.73

Nature of Transactions		As at Sept 30		As at March 31			
		2009	2008	2009	2008	2007	2006
14	**Advance paid against Equity Capital**						
	JSW Steel Limited	-	-	-	90.00	-	-
	Toshiba JSW Turbine & Generator Pvt Ltd.	-	-	220.00	-	-	-
	MJSJ Coal Limited	38.50	-	5.50	-	-	-
15	**Investment in Equity Shares of**						
	JSW Steel Limited	-	-	-	-	-	112.51
	JSW Infrastructure & Logistics Limited	-	-	-	-	306.00	-
	JSW Investments Private Limited (Purchase of JSW Steel Ltd Shares)	70.00	-	1033.54	-	-	-
	Sun Investments Private Limited (Purchase of JSW Steel Ltd Shares)	-	-	202.83	-	-	-
	Gagan Trading Company Limited (Purchase of JSW Steel Ltd Shares)	-	-	13.86	-	-	-
	Toshiba JSW Turbine & Generator Pvt Ltd.	220.00	-	220.00	-	-	-
	MJSJ Coal Limited	-	-	0.11	-	-	-
16	**Sale of Investment of**						
	JSW Investments Private Limited	-	-	-	200.00	106.00	-
17	**Subordinated Loan to**						
	Barmer Lignite Mining Company Limited	2,235.00	492.00	253.98	132.49	-	-
18	**Managerial Remuneration**						
	Mr. Sajjan Jindal	25.37	-	9.76	-	-	-
	Mr. S.S.Rao	7.98	6.10	11.76	10.81	-	-
	Mr.K.T.Krishna Deshika	-	-	-	5.09	4.45	2.97
	Mr. Raaj Kumar	-	-	-	1.06	6.96	4.41
	Mr. Satish Jindal	-	-	-	2.87	1.78	-
B. Balance at the year end							
1	**Trade Payables / (Receivable)**						
	JSW Steel Limited	(2122.20)	(907.20)	(1,081.74)	(468.75)	(221.55)	(120.35)
	JSW Steel Limited	2962.77	1397.32	1090.80	424.85	427.23	240.53
	Jindal Technologies & Management Services Pvt Ltd	0.10	-	0.12	-	-	-
	JSW Cements Limited	-	-	0.57	-	-	-
	JSW Jaigarh Port Limited	-	-	3.06	-	-	-
	JSW Realty & Infrastructure Private Limited	-	-	(0.61)	-	-	-
	JSW Energy Investment Pvt Ltd	(10.30)	(10.30)	(10.30)	-	-	-
	MJSJ Coal Limited	(0.60)	-	-	-	-	-
	South West Infrastructure Private Limited	0.05	0.05	0.05	-	-	-
2	**Lease Deposit with**						
	JSW Steel Limited	64.88	64.988	64.88	101.20	64.88	64.88
3	**Lease Deposit from**						
	JSW Steel Limited	1.60	1.60	1.60	-	-	-
4	**Trade Advance Payable / (Receivable)**						
	JSW Steel Limited	(200.00)	(200.00)	(200.00)	(200.00)	-	-

Nature of Transactions		As at Sept 30		As at March 31			
		2009	2008	2009	2008	2007	2006
5	**Advance Received against Equity Share Capital**						
	JSW Steel Limited	-	-	-	90.00	-	-
	Toshiba JSW Turbine & Generator Pvt Ltd.	-	-	220.00	-	-	-
	MJSJ Coal Limited	44.00	-	5.50	-	-	-
6	**Payable for acquisition of Free Hold Land from**						
	JSW Steel Limited	22.80	22.80	22.80	22.80	-	-
7	**Advance paid for Acquisition of Office/Residential Properties**						
	Windsor Residency Private Limited	795.00	750.00	750.00	750.00	-	-
8	**Payable for acquisition of Office / Residential Properties from**						
	Tarini Properties Private Limited	-	-	-	5.15	-	-
9	**Investment in Equity Shares**						
	JSW Steel Limited	1517.02	196.80	1447.02	196.80	3258.08	3258.08
	JSW Infrastructure & Logistics Limited	-		-	-	200.00	-
	JSW Energy Overseas Limited Rs. 13,922	0.01	0.01	0.01	0.01	-	-
	JSW Turbine & Generator Pvt Ltd.	440.00	-	220.00	-	-	-
	MJSJ Coal Limited	0.10	-	0.11	-	-	-
10	**Subordinated Loan to**						
	Barmer Lignite Mining Company Limited	2,992.78	751.78	386.47	132.49	-	-
11	**Security & Collateral Provided for**						
	JSW Steel Limited	-	-	-	-	-	1303.55
12	**Security & Collateral Provided by**						
	JSW Steel Limited	-	-	-	-	-	1445.00

Notes:

No amounts in respect of related parties have been written off/written back during the year/ period, nor has any provision has been made for doubtful debts / receivables.

ii) Related party relationships have been identified by the management and relied upon by the Auditors.

JSW ENERGY LIMITED

ANNEXURE V-B

DETAILS OF SUNDRY DEBTORS

(Rs. Million)

Particulars	As at September 30,		As at March 31,			
	2009	2008	2009	2008	2007	2006
Unsecured, Considered good Outstanding for a period:						
Not exceeding Six Months *	3,420.87	1,175.91	1,315.37	638.50	569.70	334.88
Exceeding Six Months	53.50	53.50	53.50	54.50	53.90	1,064.52
Total	**3,474.37**	**1,229.41**	**1,368.87**	**693.00**	**623.60**	**1,399.40**
Amount Due from Promoters/Promoters group companies and Directors included in Sundry Debtors, not exceeding Six Months above:						
- JSW Steel Limited	1,910.33	733.67	875.33	468.75	221.55	120.35
* excludes amount receivable, in respect of CER's and Service income on account of restatement	Nil	18.12	40.56	Nil	3,275.63	3,275.63

JSW ENERGY LIMITED

ANNEXURE VI-B

DETAILS OF LOANS AND ADVANCES GIVEN

(Rs. Million)

Particulars	As at September 30,		As at March 31,			
	2009	2008	2009	2008	2007	2006
Secured, Considered good						
Loans to Body Corporate	56.83	56.83	56.83	109.73	-	-
Advances			-	-	0.02	0.27
Unsecured, Considered good						
Advances recoverable in cash or in kind or for value to be received	1,124.66	665.45	973.88	432.60	398.02	28.07
Advance towards Preference/Equity Share Capital	47.30	16.00	225.50	21.50	50.51	-
Loans to Body Corporate	1,526.32	383.41	386.47	132.49	118.46	-
Deposits with Government / Semi Government Authorities	23.56	17.55	37.93	14.40	2.70	0.18
Income Tax/ TDS (Net of Provision)	0.16	-	30.89	5.79	251.51	14.77
Sundry Deposits	259.83	216.71	246.20	375.30	213.47	206.13
Total	**3,038.65**	**1,355.95**	**1,957.70**	**1,091.81**	**1,034.69**	**249.42**
Amount due from Promoters/Promoters group companies and Directors included in Sundry Deposits above:						
- JSW Steel Limited	64.88	64.88	64.88	64.88	64.88	64.88

ANNEXURE VII-B

DETAILS OF INVESTMENTS

(Rs. Million)

Particulars	As at September 30,		As at March 31,			
	2009	2008	2009	2008	2007	2006
Long term Investments						
i) Government Securities	0.03	0.03	0.03	0.03	0.02	0.01
ii) In Equity Shares						
- Trade & Quoted						
JSW Steel Limited (JSWSL)	1,517.02	196.80	1,447.03	196.79	3,454.90	3,454.90
- Non-Trade & Quoted						
Southern Iron & Steel Co. Limited			-	-	10.75	-
Tata Steel Limited			-	-	7.50	-
Steel Authority of India Limited			-	-	1.89	-
-Trade & Unquoted						
(b) In other companies:						
JSW Energy Overseas Limited, Dubai	0.01	0.01	0.01	0.01	0.01	-
JSW Infrastructure & Logistic Limited			-	-	200.00	-
Toshiba JSW Turbine & Generator Ltd	440.00	-	220.00	-	-	-
MJSJ Coal Ltd	0.11	-	0.11	-	-	-
iii) In Preference Shares						
JSW Realty & Infrastructure Ltd	37.55	21.60	37.55	-	-	-
(c) Mutual Funds			-	10.49	-	-
Total	**1,994.72**	**218.44**	**1,704.73**	**207.32**	**3,675.07**	**3,454.91**
Notes:						
Aggregate of Quoted Investments -						
Cost	1517.01	196.80	1447.03	196.80	3,475.04	3,454.90
Market value	5831.39	410.21	1,593.86	696.24	7223.33	4418.26
Aggregate of Unquoted Investments -						
Cost	477.71	21.64	257.7	10.52	200.03	0.01

JSW ENERGY LIMITED

ANNEXURE VIII-B

ACCOUNTING RATIOS

Particulars		For the Half Year Ended September 30,		For the Year Ended March 31,			
		2009	2008	2009	2008	2007	2006
Networth as per Annexure I-B (Rs. Million)	A	17,475.82	13,000.53	14,777.67	9,914.11	11,201.02	9,824.61
Net Profit as restated as per Annexure II-B (Rs. Million)	B	2,694.65	1,359.00	2,790.00	3,237.75	2,720.82	1,323.63
No. of Shares outstanding at the year/period end as per Balance Sheet	C	1,366,428,191	537,720,587	546,571,277	514,755,233	346,800,000	289,000,000
Bonus Shares - December 28, 2007 adjusted for earlier periods	D	-	-	-	-	167,955,233	139,962,694
Bonus Shares - July 28, 2009 adjusted for earlier periods	E	-	806,580,879	819,856,914	772,132,848	772,132,848	643,444,040
No. of Shares outstanding at the year/period end (Post Bonus issue)	F=C+D+E	1,366,428,191	1,344,301,466	1,366,428,191	1,286,888,081	1,286,888,081	1,072,406,734
Weighted average number of shares outstanding during the year/period	G	1,366,428,191	537,720,587	546,571,277	514,755,233	318,137,534	289,000,000
Bonus Shares - December 28, 2007 adjusted for earlier periods	H	-	-	-	-	154,074,001	139,962,694
Bonus Shares - July 28, 2009 adjusted for earlier periods	I	-	806,580,879	819,856,914	772,132,848	708,317,301	643,444,040
Weighted average number of shares outstanding during the year/ period (Post Bonus issue)	J=G+H+I	1,366,428,191	1,344,301,466	1,366,428,191	1,286,888,081	1,180,528,836	1,072,406,734
Weighted average number of shares outstanding during the year/period for diluted EPS purpose	K	1,372,728,191	1,344,301,466	1,366,428,191	1,286,888,081	1,180,528,836	1,072,406,734
Adjusted Earnings per Share							
- (Basic) (Rs.)	**B/J**	**1.97**	**1.01**	**2.04**	**2.52**	**2.30**	**1.23**
-(Diluted) (Rs.)	**B/K**	**1.96***	**1.01**	**2.04**	**2.52**	**2.30**	**1.23**
Return on Net worth (%)	**B/A**	**15.42%**	**10.45%**	**18.88%**	**32.66%**	**24.29%**	**13.47%**
Net Asset Value per Share as at year / period ended (Rs.)	**A/F**	**12.79**	**9.67**	**10.81**	**7.70**	**8.70**	**9.16**

Note:
i) 167,955,233 Equity Shares of Rs.10 each have been allotted as fully paid up Bonus Shares in the ratio of 4,843 Shares for every 10,000 shares held on December 28, 2007, by way of capitalisation of Reserves & Surplus. As a result, the issued, subscribed and paid up capital of the Company has increased from Rs.3,468,000,000 to Rs. 5,147,552,330
ii) 819,856,914 Equity Shares of Rs.10 each have been allotted as fully paid up Bonus Shares in the ratio of 3 Shares for every 2 shares held on July 28, 2009, by way of capitalisation of Reserves & Surplus. As a result, the issued, subscribed and paid up capital of the Company has increased from Rs.5,465,712,770 to Rs. 13,664,281,910

The ratios have been computed as below

Adjusted Earnings Per Share (Rs.) = Net Profit as restated attributable to equity shareholders / Weighted Average number of equity shares outstanding during the year /period(Post Bonus issue)

Return on Networth (%) = Net Profit After Tax as restated / Networth excluding miscellaneous expenditure to the extent not w/off

Net Asset Value per equity share (Rs.) = Networth excluding miscellaneous expenditure to the extent not w/off / Number of equity shares outstanding at the end of the year/period (Post Bonus issue)

* The diluted EPS as at September 30,2009 is after considering the Pre-IPO allotment of 6,300,000 Equity shares of Rs. 10 each issued at a premium of Rs. 90 per share on November 16, 2009. If this Pre-IPO allotment is considered, the other accounting ratios would be as under:

Return on Net worth for the half year ended September 30, 2009	**14.88%**
Net Asset Value per Share as at September 30, 2009 (Rs.)	**13.19**

JSW ENERGY LIMITED

ANNEXURE IX-B

CAPITALISATION STATEMENT

(Rs. Million)

Particular	Pre Issue as at 30/09/2009	Post Issue*
Short Term Debt	1,178.22	
Long Term Debt (A)	75,584.41	
Total Debt	**76,762.63**	
Equity Share Capital	13,664.28	
Reserves	3,811.54	
Total Shareholders' Fund (B)	**17,475.82**	
Long Term Debt to Total Shareholders' Fund (A/B)	**4.33:1**	**[ ]**

*** Will be calculated after finalisation of issue price.**

JSW ENERGY LIMITED

ANNEXURE X-B

STATEMENT OF CHANGES IN SHARE CAPITAL

Particulars	As at September 30,		As at March 31,			
	2009	2008	2009	2008	2007	2006
Share Capital						
Authorised Share Capital						
No. of Equity Share of Rs. 10 each (In Million)	5000	1000	1501	1000	400	400
Amount (Rs. Million)	50,000.00	10,000.00	15,010.00	10,000.00	4,000.00	4,000.00
Issued, Subscribed & Paid Up (In Million)						
No. of Equity Shares at the beginning of the year	546.57	514.76	514.76	346.80	289.00	289.00
Add: Bonus Shares	819.86	-	-	167.96	-	-
Add: Fresh Issue of Equity Shares	-	22.96	31.81		57.80	-
No. of Equity Shares at the end of the year	**1,366.43**	**537.72**	**546.57**	**514.76**	**346.80**	**289.00**
Amount (Rs. Million)	**13,664.28**	**5,377.21**	**5,465.71**	**5,147.55**	**3,468.00**	**2,890.00**

JSW ENERGY LIMITED

ANNEXURE XI-B

DETAILS OF ITEM OF OTHER INCOME WHICH EXCEED 20 PERCENT OF NET PROFIT BEFORE TAX

Particulars	For the Half Year Ended September 30,		For the Year Ended March 31,			
	2009	2008	2009	2008	2007	2006
Other Income exceeding 20 percent of net profit before tax	NIL	NIL	NIL	NIL	NIL	NIL

JSW ENERGY LIMITED

ANNEXURE XII-B

DETAILS OF DIVIDEND DECLARED

Particulars	For the Half Year Ended September 30,		For the Year Ended March 31,			
	2009	2008	2009	2008	2007	2006
Equity Shares - Face Value (Rs.)	10	10	10	10	10	10
- Final Dividend (%)	-	-	-	20%	50%	25%
- Final Dividend (Rs Million)	-	-	-	1029.51	1734.00	722.50

JSW ENERGY LIMITED

ANNEXURE XIII-B

STATEMENT OF TAX SHELTERS

(Rs. Million)

	Particulars	For the Half Year Ended September 30,		For the Year Ended March 31,			
		2009	2008	2009	2008	2007	2006
A	**Profit before Tax, as restated**	**3,484.97**	**1,845.95**	**3,708.38**	**4,119.45**	**3,231.18**	**1,574.25**
	Tax Rate	33.99%	33.99%	33.99%	33.99%	33.66%	33.66%
	Tax at notional rate on profits	**1,184.54**	**627.44**	**1,260.48**	**1,400.20**	**1,087.62**	**529.89**
B	**Less: Permanent Differences**						
i	**Exempt Income**						
	Dividend Income exempt u/s 10(34)	7.00	12.37	11.93	0.71	288.60	64.24
ii	**Other adjustments**						
	Donations (Net of 80G Deductions)	(0.10)	(2.81)	(5.87)	(12.46)	(4.55)	(0.01)
	Disallowances u/s 14A	-	-	(0.18)	-	(0.53)	-
	Disallowances u/s 36	-	-	-	(0.09)	-	-
	Other Income	13.42	25.91	38.78	109.56	22.23	-
	Loss on sale of Investments				-	-	(33.80)
	Deduction u/s 80IA	2695.55	1,244.74	3,271.98	6,922.94	2,521.07	1,169.86
	Total Permanent Differences	**2715.88**	**1,280.21**	**3,316.64**	**7,020.67**	**2,826.82**	**1,200.30**
C	**Less: Timing Differences**						
	Difference between Tax & Book Depreciation	691.28	439.58	291.81	297.50	299.29	296.54
	Miscellaneous Expenses written off *	0.95	0.95	(64.27)	(68.74)	1.34	1.80
	Disallowances u/s 43B	(16.55)	(10.30)	(12.65)	(3.78)	(1.07)	(4.47)
	Profit/ (Loss) on sale of Fixed Assets	(0.31)	(1.23)	(2.03)	(1.03)	(0.25)	(0.39)
	Total Timing Differences	**675.36**	**429.00**	**212.86**	**223.94**	**299.31**	**293.48**
B+C	**Net Adjustments**	**3,391.24**	**1,709.21**	**3,529.50**	**7,244.61**	**3,126.13**	**1,493.78**
	Tax Savings thereon	**1,152.68**	**580.96**	**1,199.68**	**2,462.44**	**1,052.27**	**502.81**
D	**Income from other sources / Capital Gains**	13.42	25.91	38.78	109.56	22.23	-
E=A-(B+C)+D	**Taxable Income / (Loss)**	**107.15**	**162.64**	**217.66**	**(3,015.60)**	**127.28**	**80.47**
G	**Tax as per normal provisions**	**36.42**	**55.28**	**73.98**	**-**	**42.84**	**27.09**

* Net of amount allowable u/s 35D

Note: The above statement has been prepared based on the tax computation for the respective year/period.

ANNEXURE XIV

Statement of Tax Benefits

The tax benefits listed below are the possible benefits available under the current tax laws in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfill.

(I) SPECIAL TAX BENEFITS

There are no special tax benefits available to the Company or its shareholders.

(II) GENERAL TAX BENEFITS

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, in addition to those mentioned above are as follows:

1. To the Company

1.1 In accordance with and subject to the condition 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.

1.2 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.

Under Section 35 (2AB) of the Act, the 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:

a) the tax payer is a Company

b) 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;

c) it incurs any expenditure on scientific research and such expenditure is of capital nature or revenue nature

d) the above expenditure is incurred up to March 31, 2012 on in-house research and development facility;

e) the research and development facility is approved by the prescribed authority (prescribed authority is Secretary, Department of Scientific and Industrial Research);

f) 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.

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:

a) 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;

b) 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.

c) 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.

d) the payment is made to a company which (i) is registered in India (ii) has as its main object the scientific research and development (iii) is approved by the prescribed authority for this purpose and (iv) fulfils such other conditions as may be prescribed.

1.3 Under Section 35D of the Act, the Company is eligible for a deduction of an amount equal to one-fifth of certain specified expenditure for each of the five successive years, subject to certain limits and conditions set out in the said Section.

1.4 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 upto 10 years succeeding the year in which the MAT credit becomes allowable.

2. To the Shareholders of the Company

2.1 Resident Shareholders

i) In terms of Section 36(1)(xv) of the Act, the securities transaction tax paid by the shareholders in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction as business expense from the income chargeable under the head "Profit and gains of business or profession" arising from taxable securities transactions.

ii) 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

a) 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

b) 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.

2.2 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.

2.3 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.

2.4 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.

2.5 Venture Capital Companies/ Funds

i) As per the provisions of Section 10(23FB) of the Act, income of:

a) 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

b) 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 set up for raising funds for investment in a Venture Capital Undertaking is exempt from income tax.

c) Foreign Venture Capital Investors desirous of registering with SEBI, henceforth, shall obtain firm commitment from their investors for contribution of an amount of at least USD 1 million at the time of submission of applications.

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.

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.

   In view of the individual nature of tax consequence, each investor is advised to consult his/ her own tax adviser with respect to specific tax consequences of his/ her participation in the scheme.

c) 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.

JSW Energy Limited

ANNEXURE XV

A breakup of salient terms of secured loans as on 30th September, 2009 is as below:

(a) JSW Energy Limited (SBU – I)

S. No.	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
1	ICICI Bank Ltd.,- (NCD)	Subscription agreement dated 27th March 1997	1400.00	162.50	20.00%	44 quarterly installment from 15/07/01	Secured on a pari passu basis by (a) A first ranking legal mortgage on the Company's (SBU-I Unit) immovable property situated in Maharashtra. (b) A first ranking charge by way of equitable mortgage of Company's (SBU-I Unit) immovable assets in Karnataka. (c) A First ranking charge by way of hypothecation of moveable assets of Company's (SBU-I Unit). (d) A first ranking charge on the receivables and interest in Retention Accounts both present and future, of Company (SBU-I Unit).	The Company shall not prepay the outstanding principal amounts in full or in part, before the due dates, except after obtaining the prior approval of Lead Institution (which may be granted conditionally)
2	Industrial Development Bank of India (IDBI)	Loan agreement dated 27th March 1997	500.00	87.13	8.00%	40 quarterly installment from 15/07/01	Secured on a pari passu basis by (a) A first ranking legal mortgage on the Company's (SBU-I Unit) immovable property situated in Maharashtra. (b) A first ranking charge by way of equitable mortgage	The Company shall not prepay the outstanding principal amounts in full or in part, before the due dates, except after obtaining the prior approval of Lead Institution (which may be granted

S. No.	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
							of Company's (SBU-I Unit) immovable assets in Karnataka. (c) A First ranking charge by way of hypothecation of moveable assets of Company (SBU-1 Unit). (d) A first ranking charge on the receivables and interest in Retention Accounts both present and future, of Company (SBU-1 Unit).	conditionally)
3	Industrial Development Bank of India (IDBI)	Rupee Term Loan	4750.00	4700.00	BPLR – 0.5%	12 equal monthly installments commencing from October 28, 2010.	Second charge on all the movable assets of Company's SBU-1 Unit Pledge of 5,14,75,525 equity shares of the Company held by promoters	After one year from the date of first disbursement and subsequent reset shall be on annual basis. At the time of reset the spread would be refixed by IDBI. In case the interest levied on the interest reset date is not acceptable to the company, the company may prepay the RTL without payment of any prepayment premium. The company shall be given 30 days period for affecting such prepayment from the date of reset. During this period the reset interest rate shall be applicable. However, the outstanding principal of the RTL

S. No.	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
								shall not be prepaid on any other date other than the interest reset dates, except after obtaining prior approval of IDBI, on payment of prepayment premium of 2% of the outstanding amount.
4	IDBI (Refinanced the NCDs issued to UTI)	Rupee Term Loan	600.00	346.43	10.70%	16 equal quarterly installments commencing from July 1, 2008 and ending on April 1, 2012.	(i) Pari Passu Second mortgage and charge in favour of the lender of all the immovable properties (SBU I), both present and future; (ii) Pari Passu Second charge by way of hypothecation in favour of the lender of the Company's (SBU I) entire movables (save and except book debts) including movable machinery, machinery spares, tools and accessories, present and future subject to prior charges created and/or to be created in favour of the Company's (SBU I) bankers on the Company's (SBU I) stocks of raw materials, semi finished and finished goods, consumable stores and other movables as may be agreed by the lender	First reset will be after 2 years from the date of first disbursement and thereafter every two years. Reset will be linked to BPLR of IDBI, which would be changed on the reset date depending upon the prevalent BPLR on the reset date. However, the spread shall not be changed and shall remain at 255 bps below BPLR of IDBI on the reset date. The Borrower shall prepay the outstanding principal amounts of the Loan/ the Facility in full or in part, on interest reset dates as specified in the sanction letter without payment of any prepayment premium. Any prepayment other than interest reset date

S. No.	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
							for securing the working capital requirements in the ordinary course of business; (iii) Undertaking to create first mortgage and charge on all movable and immovable assets of the Company(SBU I), in case of default; (iv) Demand Promissory Note.	shall attract prepayment premium of 1% on the outstanding amount.
5	Life Insurance Corporation of India (LIC)	Loan agreement dated 27th March 1997	250.00	43.75	8.00%	40 quarterly installment from 15/07/01	Secured on a pari passu basis by (a) A first ranking legal mortgage on the Company's (SBU-1 Unit) immovable property situated in Maharashtra. (b) A first ranking charge by way of equitable mortgage of Company's (SBU-1 Unit) immovable assets in Karnataka. (c) A first ranking charge by way of hypothecation of moveable assets of Company (SBU-1 Unit). (d) A first ranking charge on including the receivables and interest in Retention Accounts both present and future, of Company (SBU-1 Unit).	The Company shall not prepay the outstanding principal amounts in full or in part, before the due dates, except after obtaining the prior approval of Lead Institution (which may be granted conditionally)
6	General Insurance Corporation of	Loan agreement dated 27th March 1997	37.50	6.56	8.00%	40 quarterly installment from 15/07/01	Secured on a pari passu basis by (a) A first ranking legal	The Company shall not prepay the outstanding principal amounts in

S. No.	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
	India (GIC)						mortgage on the Company's (SBU-1 Unit) immovable property situated in Maharashtra. (b) A first ranking charge by way of equitable mortgage of Company's (SBU-1 Unit) immovable assets in Karnataka. (c) A First ranking charge by way of hypothecation of moveable assets of Company (SBU-1 Unit). (d) A first ranking charge on the receivables and interest in Retention Accounts both present and future, of Company (SBU-1 Unit).	full or in part, before the due dates, except after obtaining the prior approval of Lead Institution (which may be granted conditionally)
7	National Insurance Co., Ltd. (NIC)	Loan agreement dated 27th March 1997	22.50	3.94	8.00%	40 quarterly installment from 15/07/01	Secured on a pari passu basis by (a) A first ranking legal mortgage on the Company's (SBU-1 Unit) immovable property situated in Maharashtra. (b) A first ranking charge by way of equitable mortgage of Company's (SBU-1 Unit) immovable assets in Karnataka. (c) A First ranking charge by way of hypothecation of moveable assets of Company (SBU-1 Unit). (d) A first ranking charge on the receivables and interest in Retention Accounts both present and future, of	The Company shall not prepay the outstanding principal amounts in full or in part, before the due dates, except after obtaining the prior approval of Lead Institution (which may be granted conditionally)

S. No.	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
							Company (SBU-1 Unit).	
8	Power Finance Corporation Limited (PFC)	PFC Rupee Loan agreement dated 24th February 2003	650.00	187.50	12.75%	37 quarterly installment from 15/04/03	Secured on a pari passu basis by (a) A first ranking legal mortgage on the Company's (SBU-1 Unit) immovable property situated in Maharashtra. (b) A first ranking charge by way of equitable mortgage of Company's (SBU-1 Unit) immovable assets in Karnataka. (c) A First ranking charge by way of hypothecation of moveable assets of Company (SBU-I Unit). (d) A first ranking charge on the receivables and interest in Retention Accounts both present and future, of Company (SBU-1 Unit). (e) Floating charge on the general assets, including but not limited to the right, title and interest of the Co. (SBU I) in any govt. permits, authorizations, approvals, no – objections etc.	(a) Interest rate will be applied based on PFCs' policy circular no. 04:07: Policy:2004-05:Cir:P&C/1 dated 13/05/2004 which, inter-alia, stipulates the acceptance of the borrower for reset of interest rate every 3 years from the date of interest restructuring. (b) The Company shall not prepay the outstanding principal amounts in full or in part, before the due dates, except after obtaining the prior approval of PFC (which may be granted conditionally)
9	State Bank of India (SBI)	Loan agreement dated 27th March 1997	260.00	45.50	8.00%	40 quarterly installment from 15/07/01	Secured on a pari passu basis by (a) A first ranking legal mortgage on the Company's (SBU-1 Unit) immovable property situated in Maharashtra. (b) A first ranking charge by way of equitable mortgage	The Company shall not prepay the outstanding principal amounts in full or in part, before the due dates, except after obtaining the prior approval of Lead Institution (which may be granted

S. No.	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
							of Company's (SBU-1 Unit) immovable assets in Karnataka. (c) A First ranking charge by way of hypothecation of moveable assets of Company (SBU-1 Unit). (d) A first ranking charge on the receivables and interest in Retention Accounts both present and future, of Company (SBU-1 Unit).	conditionally)
10	State Bank of Hyderabad (SBH)	SBH Rupee Loan Agreement dated 20th January 2005	500.00	55.36 25.93	10.00% 10.00%	25 quarterly installment from 15/04/05 22 quarterly installment from 15/01/06	Secured on a pari passu basis by (a) A first ranking legal mortgage on the Company's (SBU-1 Unit) immovable property situated in Maharashtra. (b) A first ranking charge by way of equitable mortgage of Company's (SBU-1 Unit) immovable assets in Karnataka. (c) A First ranking charge by way of hypothecation of moveable assets of Company (SBU-1 Unit). (d) A first ranking charge on the receivables and interest in Retention Accounts both present and future, of Company (SBU-1 Unit). (e) Charge on the general assets, including but not limited to the right, title and interest of the Co. (SBU I) in any govt. permits,	(a) At the end of the 3 year period, the lender has the right to reset interest rate. In the event the reset interest rate is not acceptable to the Company, it may prepay the entire outstanding amount of loan without any prepayment premium. (b) Subject to the point no (a) the Company shall not prepay the outstanding principal amounts in full or in part, before the due dates, except after obtaining the prior approval of SBH (which may be granted Conditionally)

S. No.	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
							authorizations, approvals, no – objections etc.	
11	ICICI Bank Ltd., - RTL	ICICI Rupee Facility Agreement dated 14th December 2006	3000.00	500.00	12.67%	24 quarterly installment from 30/06/11	Secured on a pari passu basis by (a) A second ranking legal mortgage on all the Company's (SBU-1 Unit) immovable property situated in Maharashtra (b) A second ranking equitable mortgage of the Company's (SBU-1 Unit) immovable assets in Karnataka (c) A second ranking charge by way of hypothecation of moveable assets of Company (SBU-1 Unit). (d) A second ranking charge on receivables and interest in the Retention Accounts, both present and future, of Company (SBU-1 Unit). (e) Exclusive charge (including for Senior Rupee facility) by way of pledge of 94,00,000 equity shares of JSW Steel Limited held by JSW Energy Investment Private Limited	(a) Interest reset at the end of every 3 years from the Initial Drawdown date. (b) The Company may prepay whole or any part of the loans during the period commencing one year prior to the Interest Reset Date(s) and ending on such Interest Reset Date(s), the outstanding loan together with all outstanding interest and other charges and monies payable thereon without payment of prepayment premium upon providing prior irrevocable notice of 90 business days.
12	ICICI Bank Ltd., - SRTL	ICICI Senior Rupee Facility Agreement dated 14th December 2006	3000.00	500.00	12.67%	24 quarterly installment from 30/06/11	Secured on a pari passu basis by (a) A first ranking legal mortgage on all the Company's (SBU-1 Unit) immovable property situated in Maharashtra (b) A first ranking equitable	(a) Interest reset at the end of every 3 years from the Initial Drawdown date. (b) The Company may prepay whole or any part of the loans during the period commencing

S. No.	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
							mortgage of the Company's (SBU-1 Unit) immovable assets in Karnataka (c) A first ranking charge by way of hypothecation of movable assets of Company (SBU-1 Unit). (d) A second ranking charge on revenues, receivables and interest in the Retention Accounts, both present and future of the Company's (SBU-1 Unit). (e) Refer clause 11(e) above	one year prior to the Interest Reset Date(s) and ending on such Interest Reset Date(s), the outstanding loan together with all outstanding interest and other charges and monies payable thereon without payment of prepayment premium upon providing prior irrevocable notice of 90 business days.
13	**Foreign Currency Loan:** Power Finance Corporation Limited (PFC) (Refinancing of US Exim Loan)	PFC Foreign Currency Loan agreement dated 24th February 2003	2150.00 (MUSD 44.5)	INR 323.25 (MUSD 6.73)	10.30%+ Withholding Tax	31 quarterly installment from 15/04/03	Secured on a pari passu basis by (a) A first ranking legal mortgage on the Company's (SBU-1 Unit) immovable property situated in Maharashtra. (b) A first ranking charge by way of equitable mortgage of Company's (SBU-1 Unit) immovable assets in Karnataka. (c) A First ranking charge by way of hypothecation of moveable assets of Company (SBU-1 Unit). (d) A first ranking charge on the receivables and interest in Retention Accounts both present and future, of Company (SBU-1 Unit). (e) Floating charge on the general assets, including but not limited to the right, title	(a) At the end of the every 5 years period from the date of first disbursement. b) The Company shall not prepay the outstanding principal amounts in full or in part, before the due dates, except after obtaining the prior approval of PFC (which may be granted conditionally) including levying prepayment premium.

S. No.	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
							and interest of the Co. (SBU I) in any govt. permits, authorizations, approvals, no – objections etc.	

14	IDBI Bank Ltd.	Common Loan Agreement dated September 29, 2009 between JSWEL SBU I and IDBI Bank Ltd., IDFC Ltd., Karnataka Bank Ltd., Bank of Baroda, Andhra Bank (as Lenders) and IDBI Bank Ltd. (As Lenders Agent) and IDBI Trusteeship Services Ltd. (As Security Trustee).	Tranch I: Rs.500 Million
			Tranch II: Rs.750 Million.
				Tranch I:NIL.
				Tranch II: NIL
					Interest Rate is as follows:
					Tranch I: 10.75% p.a.
					Tranch II: 11.75% p.a.
					Payable monthly.
					
					Penal interest in case of default is 2% p.a. on unpaid amount.
					
					Interest is payable on the first day of each month to all lenders except IDFCLtd. And to IDFC Ltd., interest is payable on fifteenth day of each month.
					
					Penal interest in case of default is 2% p.a. on unpaid amount.
						Tranch I: Structured Repayment in 24 consecutive quarterly installments start from 1/10/2011 to 1/7/2017.
						
						Tranch II: Structured Repayment in 14 consecutive quarterly installments start from 1/10/2011 to 1/1/2015.
						
						1st Date of Disbursement is 29/09/2009.
							Tranch I:
							- Pari-passu 1st Charge on immovable & movable properties of JSWEL (SBU I).
							- Pari-passu 1st on Charge revenues/ receivables as well as TRA Account of JSWEL (SBU I).
							- Pari-passu 1st Charge by assignment or creation of charge through hypothecation of
							  - all intangibles assets but not limited to (i) any right, title, interest, benefit, claims and demands in power purchase agreement, fuel supply agreements, intellectual property rights, goodwill, uncalled capital, trademarks, patents, pertaining to SBU I, present and future,
							  - all rights and interests of the Borrower under any Letter of Credit, Guarantee or Performance bond provided by any party for any project
								(a) Interest Reset date is the business day falling immediately after 12 months from the initial disbursement date and thereafter every 1 year.
								
								(b) The Company may, with prior notice of 30 days, prepay the outstanding amount with interest/ other money due, in full or in part within 60 days from the respective Interest Reset Date. In any other case, Company may prepay along with prepayment premium of 1% plus applicable taxes on the prepaid amount, outstanding amount with interest/ other money due, in full or in part, with prior notice in writing, to lenders.

15	Infrastructure Development Finance Co. Ltd. (IDFC Ltd.)		Tranch I: Rs.1100 Million Tranch II: Rs.1650 Million.	Tranch I: Rs.1100 Million. Tranch II: Rs.1100 Million.				
16	Andhra Bank		Tranch I: Rs.500 Million Tranch II: Rs.750 Million.	Tranch I: Rs.400 Million. Tranch II: Rs.600 Million.				
17	Bank of Baroda		Tranch I: Rs. 500 Million Tranch II: Rs.750 Million.	Tranch I: Rs.400 Million. Tranch II: Rs.600 Million.				
18	Karnataka Bank		Tranch I: Rs.400 Million Tranch II: Rs.600 Million.	Tranch I: Rs. 320 Million. Tranch II: Rs.480 Million.				

S. No.	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
							contract in favour of the Borrower with respect to its SBU I, - all SBU I's contracts but not limited to engineering, procurement and construction (EPC) contracts, procurementand construction contracts (PCC), operation and maintenance (O&M) contracts, rights, titles, approvals, Government Approvals, clearances, permits ans insurance policies, insurance contracts and insurance proceeds relating to all assets of SBU I. Tranch II: - Pari-passu 2nd Charge on immovable & movable properties of JSWEL SBU I & II both present and future. - Pari-passu 1st Charge on revenues/ receivables as well as TRA Account of JSWEL SBU I. - Pari-passu 2nd Charge on revenues/ receivables JSWEL SBU II. - Pari-passu 2nd Charge by	

S. No.	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
							assignment or creation of charge through hypothecation in favour of Security Trustee acting on behalf of Lenders of - all intangibles but not limited to (i) any right, title, interest, benefit, claims and demands in power purchase agreement, fuel supply agreements, intellectual property rights, goodwill, uncalled capital, trademarks, paresnts pertaining to SBU I & SBU II present and future, - all rights and interests of the Borrower under any Letter of Credit, Guarantee or Performance bond provided by any party for any project contract in favour of the Borrower with respect to its SBU I and SBU II, - all SBU I & II's contracts but not limited to engineering, procurement and construction (EPC) contracts, procurementand	

S. No.	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
							construction contracts (PCC), operation and maintenance (O&M) contracts, rights, titles, approvals, Government Approvals, clearances, permits ans insurance policies, insurance contracts and insurance proceeds relating to all assets of SBU I and II.	
19	L&T Infrastructure Co Ltd	Facility Agreement dated September 11, 2009 and Sanction Letter – L& T Infrastructure Co. Ltd. dated September 10th, 2009.	Rs.600 Million Amount Drawdown: Rs.600 Million.	600.00	Interest Rate 9.5% p.a. payable monthly. Penal interest in case of default is 2% p.a. on unpaid amount.	Structured Repayment: Rs. 120 Million to be paid at the end of 6 months from 1st disbursement. The balance Rs.480 Million to be paid in 5 equal monthly installments of Rs.96 Million at the end of 11th, 12th, 13th, 14th and 15th months from the date of 1st disbursement. 1st Date of Disbursement is 12/09/2009.	The facility (together with all principal interest, liquidated damages, fees costs, charges, expenses and other monies and all other amounts) stipulated and payable to the Lender shall be secured by: - A subservient charge on the movable assets of the Company's SBU I. - Demand Promissory Note.	The Company may prepay the outstanding principal amounts of the Facility, in full or part, at the end of 6th, 9th and 12th months from the date of disbursement with 15 days prior notice given to the Lender for such prepayment. Any prepayment, in full or part, on the days other than as specified above will be with 15 days prior notice given to the Lender for such prepayment and subject to prepayment premium of 1% on the prepaid amount.
20	L&T Finance Co. Ltd	Facility Agreement dated September 11, 2009 and Sanction Letter – L& T	Rs.500 Million Amount	500.00	Interest Rate 9.5% p.a. payable monthly.	Structured Repayment: Rs. 100 Million to be paid at the end of 6	The facility (together with all principal interest, liquidated damages, fees costs, charges, expenses and	The Company may prepay the outstanding principal amounts of the Facility, in full or

S. No.	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
		Finance Co. Ltd. dated September 10, 2009.	Drawdown: Rs.500 Million.		Penal interest in case of default is 2% p.a. on unpaid amount.	months from 1st disbursement. The balance Rs.400 Million to be paid in 5 equal monthly installments of Rs.80 Million at the end of 11th, 12th, 13th, 14th and 15th months from the date of 1st disbursement. 1st Date of Disbursement is 14/09/2009.	other monies and all other amounts) stipulated and payable to the Lender shall be secured by: - A subservient charge on the movable assets of the Company's SBU I. - Demand Promissory Note.	part, at the end of 6th, 9th and 12th months from the date of disbursement with 15 days prior notice given to the Lender for such prepayment. Any prepayment, in full or part, on the days other than as specified above will be with 15 days prior notice given to the Lender for such prepayment and subject to prepayment premium of 1% on the prepaid amount.
21	**Working Capital facilities with Punjab National Bank**							
	Cash Credit.	Sanction of credit facilities dated 23rd July, 2008	250.00	Nil	BPLR – 2.25%	Principal and Interest	Secured on a pari passu basis by (a) A first ranking legal mortgage on the Company's SBU-1 Unit's immovable property situated in Maharashtra. (b) A first ranking charge by way of equitable mortgage of Company's SBU-1 Unit's immovable assets in Karnataka. (c) A first ranking charge by way of hypothecation of moveable assets of the Company's SBU-1 Unit. (d) A first ranking charge on the receivables and interest	
	Bills Discounting under LC (workable with in CC limit)	Sanction of credit facilities dated 23rd July, 2008	140.00	NIL	BPLR – 2.25%	Nil		

S. No.	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
	Letter of Credit	Sanction of credit facilities dated 23rd July, 2008	50.00	NIL	Nil	Nil	in Retention Accounts both present and future of Company's SBU-1 Unit. (e) Counter Indemnity from the Company	
	Bank Guarantee	Sanction of credit facilities dated 23rd July, 2008	200.00	Nil	Nil	Nil		
22	Bank Guarantee Facility from Punjab National Bank	Sanction Letter dated February 24, 2009 and Deed of Hypothecation and Hypothecation Agreement between Punjab National Bank and JSWEL dated February 27, 2009	1,000.00	1,000.00	Guarantee commission of Rs. 2% per annum;	Period of Guarantee is one year excluding claim period of maximum three months.	(i) Second charge by way of hypothecation of all the block assets of the Company (SBU I) both present and future; (ii) First charge by way of hypothecation of the present and future stocks of raw materials, works in process, finished goods, consumables, stores and spares and all other current assets of the Company (SBU I) which shall be brought in or stored in the Company's (SBU I) godowns at Toranagullu, Bellary District, Karnataka or any other godowns; (iii) First charge by way of hypothecation of present and future book debts of SBU I, outstanding decrees, money receivables, claims, securities, Government subsidies, investments, rights and other movable assets excluding bills purchase/discounted bank and bills against which advances have been made; (iv) Second charge by way of mortgage on the 122.3 acres of land at Toranagullu, together with all structures thereon.	
23	**Working Capital facilities with IDBI Bank**						CC/ WCDL: (i) Second charge on all the movable assets of the company, present as on	

S. No.	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
	Cash Credit/ WCDL	IDBI Rupee Facility Agreement between IDBI Bank (Lender) and JSWEL (Borrower) dated September 29, 2008	250.00	Nil	For CC; BPLR - 50 bps payable monthly For WCDL: To be decided at the time of availment of facility. Min. Rate : FTP + 25 bps	Principal and Interest CC: 12 months line/ repayable on demand. WCDL: Max. 180 days/ 12 months line/ repayable on due date.	31/3/2008. NOC from existing charge holders. (i) Pledge of 5,14,75,525 Equity shares of the Co.held by the promoters. (iii) Demand Promissory Note	
	Bank Guarantee (BG) or Letter of Credit (LC) Rs.1000 million	IDBI Rupee Facility Agreement between IDBI Bank (Lender) and JSWEL (Borrower) dated September 29, 2008	1000.00	Bank Guarnatee: Rs. 439.70 Million Letter of Credit: Rs. 101.72 Million (USD: 2.12 Million)	Commission: (a) Bank Guarantee:1% p.a. + Service Tax payable qtr in advance for co. and 1.25% p.a. + Service Tax in case of Group Co./ SPV/ JV (b)Letter of Credit 0.75% p.a. + service Tax for Co. and 1% p.a. + Service Tax for Group Co./ SPV/JV.	(a) BG: Upto 36 months excl. claim period/ return of Original guarantee on or before the date of expiry. (b) LC: Upto 180 days (c) Buyers Credit: Upto 12 months	BG/ LC/ Buyers Credit: (i) Hypothecation charge on second charge basis on the entire current assets of the company, both present and future, ranking pari passu with the existing WC Lenders. (ii) Pledge of 5,14,75,525 Equity shares of the company held by the promoters. (iii) Demand Promissory Note	

b) JSW Energy Limited (SBU – II)

No.	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
1	IDBI Bank Limited (IDBI)	Loan agreement dated 6th October 2006	3000.00	2,685.52	BPLR – 150 bps	32 quarterly installment from 01/01/2010	Secured on a pari passu basis by (a) A first mortgage and charge on the Company's SBU-II immovable property both present and future. (b) A first charge by way of hypothecation of all the Borrower's moveable properties including moveable machinery, machinery spares, equipments, tools and accessories, both present and future of SBU-II Unit. (c) A first charge by way of an assignment of i) all receivables and book debts both present and future of SBU-II Unit ii) the right, title and interest into and under all performance warranties, indemnities and securities of SBU-II unit. iii) the right, title and interest in Retention Accounts both present and future of SBU-II Unit. iv) the right, title and interest in, to and under all the Govt. Approvals, insurance policies of SBU-II Unit. v) a first charge on all intangible assets including but not limited to goodwill and uncalled capital.	i) The Company shall prepay the outstanding principal amounts in full or in part, at any time before Final Settlement Date after giving prior written notice of 60 days quantifying the amount proposed to be prepaid. Interest reset option shall be subject to payment of prepayment premium, a) if prepaid within 5 years from the date of 1st disbursement, premium @ 1.5% of the outstanding amount. b) if prepaid after 5 years from the date of 1st disbursement, premium @ 1 % of the outstanding amount. ii) The Company shall prepay the outstanding amount of Loans without any prepayment premium, in case of receipt of LD received by Company under the Project Documents in the proportion as the Debt: Equity ratio of 75:25 envisaged for the project. iii) If the Company has surplus cash, after all the requirements under the Retention Accounts and after payment of dividends, under mutual agreement with Lenders, the Company may repay the loans to the extent of surplus cash.
2	Punjab National Bank (PNB)	Loan agreement dated 6th October 2006	2500.00	2,259.67	BPLR – 1.75%			
3	Syndicate Bank (SB)	Loan agreement dated 6th October 2006	2500.00	2,259.67	BPLR – 1.75%			
4	Canara Bank (CB)	Loan agreement dated 6th October 2006	2000.00	1,804.81	BPLR – 1.75%			
5	Vijaya Bank (VB)	Loan agreement dated 6th October 2006	1000.00	902.76	BPLR – 1.75%			
6	Oriental Bank of Commerce (OBC)	Loan agreement dated 6th October 2006	1000.00	892.83	BPLR – 2%			
7	Dena Bank (DB)	Loan agreement dated 6th October 2006	450.00	420.13	BPLR – 1.75%			
8	Union Bank of India (UBI)	Loan agreement dated	1500.00	1,353.44	BPLR – 2%			

Working Capital facilities							
9	Canara Bank	Sanction Letter dated July 3, 2009, Common Hypothecation Agreement dated September 10, 2009 between JSWEL SBU II and Canara Bank.	Aggregate: Rs.1530.00 Million Cash credit: 800.00	434.34	Interest on cash credit facility is at the rate of 0.75% below the BPLR;	Cash credit facility is for 1 year and payable on demand;	(i) Pari Passu First hypothecation and charge on all stocks of goods such as raw materials, goods in progress, finished and manufactured goods and other items of stock in trade and stores, spares, components machinery, vehicles, furniture and fixtures and all other movable goods and properties of every description of the Borrower's factories, places of business, residence(if applicable), godowns or in transit or in the custody of processors, warehouse agents or others or wherever else the same may be situated, lying or being including any such raw materials, articles or goods, stores, spares, components, stock in trade and all descriptionof movable property in the course of delivery to the Borrower, and Pari Passu first hypothecation and charge on all of the Borrower's present and future book debts, outstanding moneys, bills receivable, claims, bills contracts, securities, investments, cash, gold, silver, jeweery, rights and assets and rights relating to or in movable properties of whatsoever nature to which the Borrower is entitled to during the continuance of this Agreement.
	Letter of Credit		585.00	NIL	Commission on letter of credit facilities are at agreed percentage.	Period of Non revolving LC: 180 days and Usance period for letter of credit facility is 120 days;	
	Letter of Guarantee		145.00	NIL	Commission on Letter of Guarantee facilities are at agreed percentage.	Letter of Guarantee facility is for a period of two years excluding claim period of six months;	
10	IDBI Bank Ltd	Sanction Letter dated July 30, 2009, Deeds of Hypothecation and Hypothecation Agreement between IDBI Bank Ltd. and JSWEL (SBU II) dated September 9, 2009	Aggregate: Rs. 3,200 million: Cash Credit/ Working Capital Demand Loan (WCDL): Rs. 1600 million;	240.00	Interest on cash credit facility is at the rate of BPLR minus 1.25% p.a.; WCDL: FTP + 0.5%	Principal and Interest CC: 12 months line/ repayable on demand. WCDL facility is for Max. 180 Days extendable upto 12 months or repayable on due date, out of internal accruals.	- Pari Passu First charge by way of hypothecation of all the Borrower's movables (save and except book debts) including movable machinery, machinery spares, equipments, tools and accessories, present and future; - Pari Passu First charge by an assignment by the Borrower of (a) all receivables, accounts and book debts, both present and future, with respect to the Borrower's project pertaining to 2x300 MW coal based thermal power plant at Torangallu, Dist. Bellary, Karnataka i.e. SBU II, (b) the right, title and interest of the Borrower into and under all the project documents and the guarantees, other performance warranties, indemnities and securities that may be furnished in favour of the Borrower by the various contractors under the
	Letter of Credit facility: Rs.		1200.00	Letter of Credit: Rs. 599.92	Commission on letter of credit facilities are 0.75%	Usance period for letter of credit facility is 365	

	1200 million; and			Million (USD 12.49 Mliion);	p.a. plus service tax payable quarterly in advance.	days;	Project Documents pertaining to SBU II, after obtaining the written consent of the parties thereto, if necessary (c) the right, title and interest of the Borrower in the Trust & Retention Accounts Agreement entered into/ to be entered, into between the Borrower, Lender and Bank and (d) the right, title and interest of the Borrower into and under all government Approvals, insurance policies with respect to SBU II - Pari Passu First charge on all intangible assets of the SBU-II but not limited to goodwill and uncalled capital of SBU II. - Pari Passu First mortgage and charge in favour of the Bank on all the immovable properties (other than current assets), both present and future in the form and manner acceptable to the Bank.
	Letter of Guarantee: Rs. 300 million		300.00	Letter of Guarantee: NIL	Commission on Bank Guarantee is 1% p.a. plus service tax payable quarterly in advance.	Letter of Guarantee facility is for a period not exceeding 3 years from the date of issuance of BGs including claim period;	
	LER: Rs.100 Million		100.00	LER: NIL			
11	Punjab National Bank	Sanction Letter dated May 11, 2009, Deeds of Hypothecation and Hypothecation Agreement between Punjab National Bank and JSWEL (SBU II) dated May 28, 2009	1200.00 Cash credit Limit	162.64	Interest on cash credit facility is at the rate of 0.25% above the BPLR;	Cash credit facility is for 1 year and payable on demand;	• Pari passu First charge by way of hypothecation on the present and future stocks of raw materials, works in process, finished goods, consumables, stores and spares and all other current assets of the Company (SBU-II) which shall be brought in or stored in the Company's godowns at Toranagullu, Karnataka or any other godowns; • Pari Passu First charge by way of hypothecation on the present and future book debts, outstanding decrees, money receivables, claims, securities, Government subsidies, investments, rights and other movable assets excluding bills purchase/discounted bank and bills against which advances have been made; • Pari Passu First charge on SBU-II's Trust and Retention Accounts and other accounts. • Pari Passu First charge to be created by way of mortgage on all immovable properties of SBU-II. • Pari Passu First Charge to be created on all
	Letter of Credit		1750.00	1,415.73 (USD 29.47 Million)	Commission on Letter of Guarantee and letter of credit facilities are at agreed percentage	Usance period for letter of credit facility is 120 days;	
	Letter of Guarantee		420.00	5.02	Commission on Letter of Guarantee and letter of credit facilities are at agreed percentage.	Letter of Guarantee facility is for a period of two years excluding claim period of maximum of six	

						months;	intangible assets of the borrower (SBU-II) including but not limited to goodwill and uncalled capital of the Borrower

(c) JSW Energy (Ratnagiri) Limited

S. No.	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset	Interest Reset/ Prepayment
1	Life Insurance Corporation of India (LIC)	Rupee Facility Agreement dated 2nd August, 2007	1500.00	901.10	10.75%	Repayment to the Rupee Lenders (except India Infrastructure Finance Company Limited and L&T Infrastructure Finance Company Limited) is in 40 equal quarterly installment starting from 30/9/2011; to India Infrastructure Finance Company Limited in 48 quarterly instalments starting from 30/9/2011 and for L&T Infrastructure Finance Company Limited in 120 monthly instalments starting from 31/7/2011.	(i) a first ranking mortgage and charge / Security Interest in favour of the Security Trustee, in respect of: - all the Borrower's immovable properties both present and future; - all the Borrower's movable properties and assets, both present and future; - all tangible and intangible assets including but not limited to the goodwill, undertaking and uncalled capital of the Borrower; - all revenues and receivables of the Borrower from the Project or otherwise; - all of the Borrower's rights, titles and interest in respect of the assets and its rights under each of the Project	10.75%	Interest shall be paid as per the lending rate. 1st Interest Reset date falling on Project COD or the expiry of 42 months from Financial Closure whichever is earlier Interest Reset Date will be the date falling on the expiry of every three year period from the First Interest Reset Date during the currency of the Rupee Facility. The Borrower may prepay all or any portion of any Rupee Facility, or any participation or other interest only on an interest reset date. Borrower shall have given the Facility Agent and the Rupee
2	L&T Infrastructure Finance Company Limited		1500.00	990.30	SBAR-1%			SBAR-1.25%	
3	India Infrastructure Finance Company Limited (IIFCL)		4750.00	3,135.80	SBAR-1%			SBAR-1.25%	
4	State Bank of India		5000.00	2301.66	SBAR-1%			SBAR – 1.25%	
5	Dena Bank (DB)		1000.00	660.20	SBAR-1.25%			SBAR-1.5%	
6	Central Bank of India (CBI)		1000.00	490.31	PLR-1.5%			CBI's PLR-1.5%	
7	Punjab National Bank (PNB)		3000.00	1403.64	BPLR+0.5% (TP)-1.75%			BPLR + 0.5%(TP) -2%	
8	State Bank of Hyderabad (SBH)		1000.00	517.05	SBAR-1%			SBAR-1.25%	
9	State Bank of Indore		1000.00	517.05	SBAR-1%			SBAR-1.25%	
10	Vijaya Bank		1500.00	926.07	PLR-1.25%			BPLR-	

S. No.	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset	Interest Reset/ Prepayment
	(VB)						Documents, duly acknowledged and consented to, where required, by the relevant counter-parties to such Project Documents, all the Borrower's rights under each letter of credit/guarantee or performance bond that may be posted by any party to a Project Documents for the Borrower's benefit and all the Borrower's rights under the Clearances (including all contract, licences, permits, approvals, concessions and consents in respect of or in connection with the Project, to the extent assignable under Applicable Law); - all the Borrower's accounts, (including but not limited to the Accounts and the Permitted Investments) and each of the other accounts required to be created by the Borrower under any Transaction	1.5%	Lenders not less than thirty (30) business days prior notice of its desire to so prepay the Rupee Facilities. Any such prepayment shall be applied against the Repayment Installments in the inverse order of maturity. The Borrower shall pay a prepayment penalty at the rate of 1% on the amounts prepaid except where such prepayment is made, (a) on an Interest Reset Date or (b) by providing thirty (30) days prior written notice to the Lenders, after the expiry of the Lock – in – period of 5 years from the Project COD and out of the internal accruals of the Borrower or in the case of mandatory prepayment. Surplus amounts in the Construction Account at final completion after
11	United Bank of India		1500.00	764.05	BPLR-1.5%			BPLR-1.75%	
12	Andhra Bank (AB)		1250.00	651.38	PLR+0.25%-1.50%			BPLR-1.5%	
13	State Bank of Patiala (SBP)		1000.00	479.48	SBAR-1%			SBAR-1.25%	
14	Oriental Bank of Commerce (OBC)		2000.00	958.95	BPLR-1.5%			BPLR-1.75%	
15	State Bank of Mysore (SBM)		1500.00	715.15	BPLR-1.5%			BPLR-1.75%	
16	State Bank of India (Erstwhile State Bank of Saurashtra (SBS)		1000.00	429.19	SBAR-1%			SBAR-1.25%	
17	State Bank of Travancore (SBT)		1000.00	545.28	BPLR-1.25%			BPLR-1.5%	
18	Bank of India (BOI)		1000.00	529.48	BPLR-1.5%			BPLR – 1.75%	
19	Indian Bank (IB)		1000.00	660.20	BPLR-0.75%			BPR-1%	
20	Small Industries Development Bank of India		750.00	495.20	SBAR-1%			SBAR-1.25%	
21	Punjab & Sind Bank (P&S)		500.00	300.40	SBAR-1%			SBAR-1.25%	

S. No.	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset	Interest Reset/ Prepayment
							Document, including without limitation, the Trust and Retention Accounts Agreement; including in each case, all monies lying credited/deposited into such accounts; - all the Insurance Contracts (and cut through clauses in respect of, or assignments of reinsurances, as applicable) naming the Security Trustee as an additional insured/sole loss payee (as may be required by the Lenders); (ii) a first ranking pledge in respect of 51% of the total, issued and paid up Shares of the Borrower till the date falling two years from the Project COD and thereafter in respect of 26% of the total, issued and paid up Shares of the Borrower till the Final Settlement Date (provided there is no payment Event of Default under the Financing Documents) and the execution by the Pledgor and the Borrower of a Share Pledge		meeting requirements as set forth as per the provisions of Section3.1.2(c) of the TRA, shall be utilised to prepay pro para the outstanding facility. The prepayment shall be applied pro rata against the Repayment Installments.

S. No.	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset	Interest Reset/ Prepayment
							Agreement in favour of the Security Trustee;		

(d) Raj WestPower Limited

S. No	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset	Interest Reset/ Prepayment
1	India Infrastructure Finance Company Limited (IIFCL)	Rupee Facility Agreement dated 3rd September, 2007	5000.00	4114.50	IBAR +1% (TP)- 4.25%	Repayment is in 48 Quarterly Instalments First Repayment Date is the immediate date falling 6 months after the project COD or the date falling at the end of 54 months from financial close, whichever is earlier.	(i) a first ranking inter se *pari passu* mortgage and charge over: - all the Borrower's immoveable and moveable properties, both present and future; - all tangible and intangible assets of the Borrower including but not limited to its goodwill, undertaking and uncalled capital, both present and future; - all revenues and receivables of the Borrower, whether from the Project or otherwise, both present and future;	Based on then prevailing IBAR and Term Premium	Interest shall be paid as per the lending rate. The Lending Rate shall be reset after the expiry of thirty six (36) months from the Initial drawdown date. Thereafter the rupee lenders may reset the lending rate on the expiry of every 3 year period from the First Interest reset date during the currency of the Rupee Facility, and (each date on which interest is reset being an Interest Reset Date)
2	Life Insurance Corporation of India (LIC)		2000.00	1605.60	12%			NO Reset	
3	Infrastructure Development Finance Company Limited (IDFC)		2000.00	1605.60	IBAR+2.59%			3 Year Benchmark Rate prevailing on the relevant reset date plus the spread.	
4	Bank of India (BOI)		4000.00	3447.07	BPLR-1.25%			Based on then prevailing BPLR	
5	Canara Bank (CB)		3000.00	2394.67	BPLR-1.25%			Based on then prevailing BPLR	
6	IDBI Bank Ltd.(IDBI)		1500.00	1203.60	BPLR-1.25%			Based on then prevailing BPLR	
7	Indian Bank		1000.00	878.23	BPLR+0.25%(TP)—			Based on then	

S. No	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset	Interest Reset/ Prepayment
	(IB)				1.00%		- all of the Borrower's rights, title and interest under each of the Project Documents, duly acknowledged and consented to, where required, by the relevant counter-parties to such Project Documents, all the Borrower's rights under each letter of credit/guarantee or performance bond that may be posted by any party to a Project Documents for the Borrower's benefit and all the borrower's rights under the Clearances (to the extent assignable under Applicable Law); - all the Borrower's accounts, (including but not limited to the Accounts and the Permitted Investments) and each of the other accounts required to be created by the Borrower under any Transaction	prevailing BPLR	commencing from such interest Reset Date, to be paid on and from the next reset date. The Lenders hereby agree and confirm that after chievement of Project COD, the Lending Rate of each Lender shall be reduced by 0.25%. The Borrower may prepay all or any portion of any Rupee Facility, or any participation or other interest only on an interest reset date. Borrower shall have given the Facility Agent and the Rupee Lenders not less than ninety (90) business days prior notice of its desire to so prepay the Rupee Facilities. Any such prepayment shall be applied against the
8	Punjab National Bank (PNB)		4000.00	3652.83	BPLR+0.5%(TP)-1.5%			Based on then prevailing BPLR and Term Premium	
9	United Bank of India		1500.00	1317.51	BPLR-1.25%			Based on then prevailing BPLR	
10	Vijaya Bank (VB)		1000.00	821.09	BPLR+.025%(TP) - 1.25%			Based on then prevailing IBAR and Term Premium	
11	ICICI Bank Limited (ICICI)		6500.00	2604.43	IBAR +1% (TP)-4.25%			Based on then prevailing IBAR and Term Premium	
12	Andhra Bank (AB)		1000.00	880.76	BPLR+0.25%-1.25%			Based on then prevailing BPLR	
13	Bank of Baroda (BOB)		4000.00	3529.79	BPLR-1.25%			Based on then prevailing BPLR	
14	Central Bank of India (CBI)		1000.00	880.76	BPLR-1.00%			Based on then prevailing BPLR	

S. No	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset	Interest Reset/ Prepayment
							Document, including without limitation, the Trust and Retention Account Agreement; including in each case, all monies lying credited/deposited into such accounts but excluding the Distribution Account and all monies lying in the Distribution Account or liable to be credited to the Distribution Account; - all the Insurance Contracts (and cut through clauses in respect of, or assignments of reinsurances, as applicable) naming the Security Trustee and the Facility Agent as an additional insured (as may be required by the Lenders); (ii) a first ranking pledge in respect of 30% of the total issued and paid up Shares of the Borrower from time to time which		Repayment Instalments in the inverse order of maturity.

S. No	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset	Interest Reset/ Prepayment
							may be reduced to 26% upon completion of one year of satisfactory performance of the Project from the Project COD as determined by the Lenders;		
15	ICICI Bank Ltd.	Foreign Currency Facility Agreement between ICICI Bank Limited (ECB Lender) and RWPL (Borrower) and ICICI Bank Limited (Facility Agent) dated May 27, 2009	USD$ 57 million	Nil	Interest is payable on the Twenty first day of month of January and July Interest rate payable is six months LIBOR plus 405 bps.* * In case of any failure to pay any amount payable by the Borrower on the due date, interest shall accrue on the unpaid sum from the due date at a rate which is 1% higher than the interest rate.	Repayment in 22 equal instalments on half yearly basis beginning from January, 21, 2012	(i) a first ranking mortgage and charge over - all the Borrower's immoveable and moveable properties, both present and future; - all tangible and intangible assets of the Borrower including but not limited to its goodwill, undertaking and uncalled capital, both present and future; - all revenues and receivables of the Borrower, whether from the Project or otherwise, both present and future; - all of the Borrower's rights, title and interest under each of the Project Documents, duly acknowledged and consented to, where	The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable: Margin (405 bps) and Six months LIBOR, calculated at two (2) Business Days prior to the relevant Interest Period.	Subject to Applicable Law, the Borrower may prepay all or any part of the Facility (minimum of USD 1 Million or any higher amount in multiples of USD 1,00,000) upon payment of the applicable prepayment premium, provided it shall have given the Facility Agent and the ECB Lender not less than sixty (60) Business Days prior written notice of its desire to so prepay the Facility. Any prepayment under this

S. No	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset	Interest Reset/ Prepayment
							required, by the relevant counter-parties to such Project Documents, all the Borrower's rights under each letter of credit/guarantee or performance bond that may be posted by any party to Project Documents for the Borrower's benefit and all the borrower's rights under the Clearances (to the extent assignable under Applicable Law); - all the Borrower's accounts, (including but not limited to the Accounts and the Permitted Investments) and each of the other accounts required to be created by the Borrower under any Transaction Document, including without limitation, the Trust and Retention Account Agreement; including in each case, all monies lying		Agreement shall, if made on any date other than an Interest Payment Date, be subject to Break Costs as applicable. Any voluntary prepayment made shall be applied pro rata against each outstanding Repayment Instalment. Mandatory Prepayment: a. Upon cancellation of the said facility agreement b. Out of Insurance proceeds provided the proceeds is in excess of cost of replaced assets and disposal value is more than Rs.100 Million on individually or on an annual basis. c. Out of proceeds from disposal of

S. No	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset	Interest Reset/ Prepayment
							credited/deposited into such accounts; - all the insurance contracts naming any person acting as trustee or agent for the benefit of the ECB lender and the facility agent as an additional insured, including all rights and receivables there under (as may be required by the ECB Lenders); (ii) first ranking pledge in respect of 30% of the total issued and paid up share capital of RWPL which may be reduced to 26% upon completion of one year of satisfactory performance of the Project from the project COD as determined by the ECB Lender.. The security mentioned under (i) and (ii) above shall rank *pari passu inter se* and with the security created or to be created to secure the rupee lenders, the issuing bank, the		assets provided the proceeds is in excess of cost of replaced assets and disposal value is more than Rs.100 Million on individually or on an annual basis. d. Out of any liquidated damages and other amounts which are due and payable pursuant to the Transaction Documents. e. Out of Surplus amounts in the Construction Account at Final Completion. f. Out of amount received under the Contracts pursuant to the Borrower exercising its right of rejection under the Contracts.

S. No	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset	Interest Reset/ Prepayment
							guarantor and the LC lender.		g. the ECB Lender is required to prepay any amounts borrowed by it under the China Exim Credit Agreement to the extent so required to be prepaid. h. On occurance of event of default.

(e) JSW Power Trading Company Limited

S. No.	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
1	Punjab National Bank (PNB)	Loan facility agreement dated 29th December, 2007	660.00	599.70	BPLR + TP (0.5%) – 2.25%	Term Loan Rs.300 Million: 40 equal quarterly installments effective from 31/10/2009 Remaining: Rs.360 Million: Within 6 months of disbursement or upon syndication of the balance Term Loan, whichever is earlier.	First Charge by mortgage of project assets of co. and first charge on escrow account opened as per Loan agreement. Creation of additional Security: as advised by the Punjab National Bank.	Interest reset shall be done at 2 years intervals and first interest reset to be done 2 years after first drawl keeping the spread constant and based on then prevailing BPLR. Prepayment: (1) Option to prepay either in part of full from the internal accruals without any pre-payment premium during the tenure of the loan.

S. No.	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset/ Prepayment
								(2) Option to prepay either in part or full from any source on reset date without any prepayment premium. (3) Premium of 1% to be paid on the amount prepaid of prepayment is for reasons other than mentioned above.
2	Punjab National Bank (PNB)	Agreement dated September 16, 2008	500.00	341.23	BPLR minus 100 bps	To be repaid to the Bank on demand.	Cash Credit Limit / Advance against Uncleared effects: Exclusive first charge on book debts arising out of supply of power & Other Current assets both present & future.	
	Punjab National Bank (PNB)	Agreement dated September 16, 2008	1000.00	NIL	40% of applicable commission	(a) ILC: Maximum of 90 days. (b) BG: For a period of 1 year including claim period of 6 months.	ILC / Bank Guarantee: Deed of Hypothecation to secure LC on DA basis & Counter indemnity from the company.	

(f) Jaigad PowerTransco Limited

S. No	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset	Interest Reset/ Prepayment
1	Bank of Baroda	Common Loan Agreement among Jaigad PowerTransco Limited and Bank of Baroda, Bank of India,	400.00	93.00	BPLR - 0.25%	40 equal quarterly instalment. The first repayment	(i) 1st mortgage and charge on all immovable properties including leasehold land, both present and future acquired or constructed by	Based on then prevailing BPLR and spread as	Interest Reset Date shall be a business day falling 12
2	Bank of		700.00	160.20	BPLR				

S. No	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset	Interest Reset/ Prepayment
	India	Canara Bank, Punjab National Bank, State Bank of India, United Bank of India (Lender) and State Bank of India (Lender's Agent) and SBICAP Trustee Company Limited dated April 29, 2009				date shall be the last Business Day of the quarter commencing on October 1, 2010 referred to as 1st quarter.	the borrower for implementation of the project. (ii) 1st charge by way of hypothecation of all the Borrower's tangible moveable assets including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other moveable assets, both present and future. (iii) 1st charge on Borrower's Receivables (iv) 1st charge over all bank and other accounts of the Borrower, including without limitation, the Trust and Retention Account and the Retention Accounts (or any account in substitution thereof) that may be opened in terms hereof and of project documents and in all funds from time to time deposited therein and in all Authorised Investments or other securities representing all amounts credited thereto (v) 1st charge on all intangibles of the	may be determined by respective lender.	months after the last date of the month in which the initial disbursement is made and the day falling on every anniversary thereof and if such day is not a business day, then immediately preceeding business day. The Company may, with prior notice to each lender of tleast 30 days, prepay the outstanding principal amounts of the Loans in full or in part before the Due Dates subject to payment of premium of 1% on the amount of the Loan proposed to be prepaid. However, Company may prepay the outstanding principal amount of the Loans in full or in part, before the Due Dates without requiring to pay any premium, if – (a) such prepayment is made from the
3	Canara Bank		750.00	173.10	BPLR				
4	Punjab National Bank		750.00	174.77	SBAR				
5	State Bank of India		1000.00	229.70	SBAR				
6	United Bank of India		750.00	173.10	BPLR				

S. No	Lender	Loan Documentation	Loan Amt Sanctioned (Rs. in million	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)	Re payment Schedule	Security Created	Interest Reset	Interest Reset/ Prepayment
							Borrower including but not limited to intellectual property rights, goodwill, rights, undertakings and uncalled capital, present and future (vi) 1st charge by assignment of security in all right, title, interest, benefits, claims and demands whatsoever of the Borrower in the Project Documents, Government approvals, any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents, under all Insurance Contracts, Letter of Credit or any other form of security provided by the beneficiary thereof in favour of the Borrower (vii) Pledge of equity shares aggregating to 51% of paid up and voting equity share capital of the Borrower till the Final Settlement Date.		surplus internal cash accruals of the Company to all the Lenders in proportion to their respective outstanding Loans or (b) such prepayment of the Loans is made on the Interest Reset Date with a prior notice of atleast 30 days to each of the lenders, or (c) if such prepayment of the Loans is effected at the instance of the Lenders. Any amount pre-paid shall be applied to the repayment of instalments as per the amortisation schedule in the inverse order of their maturity.

Summary of Secured Loans as on 30th September, 2009

Sl. No.	Company	Rs. Million
1	JSW Energy Limited (SBU – I)	13087.85
2.	JSW Energy Limited (SBU – II)	13415.81
3.	JSW Energy (Ratnagiri) Limited	18371.94
4.	Raj WestPower Limited	28936.45
5.	JSW Power Trading Company Limited	940.93
6.	Jaigad PowerTransco Limited	1003.87
	Total	**75756.85**

JSW Energy Limited

ANNEXURE XVI

A breakup of salient terms of Un-secured Loans as on 30th September, 2009 is as below:

S. No.	Name of the Party	Loan Amt (Rs. in Million)	Loan Amount Outstanding (Rs. In Million)	Interest Rate (p.a)
1	SMS Investment Corporation (P) Ltd	5.78	5.78	Zero rate of interest
2	Yes Bank Limited	1000.00	1000.00	9.25%
		1005.78	**1005.78**	

ANNEXURE XVII

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP, IFRS AND U.S. GAAP

The Company's financial statements are prepared in accordance with Indian GAAP on an annual basis. No attempt has been made to reconcile any of the information given in this Red Herring Prospectus ("Prospectus") to any other accounting principles or to base it on any other accounting 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 or attempted to quantify the differences between Indian GAAP and IFRS or U.S. GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. Accordingly, there can be no assurance that the summary is complete, or that the differences described would explain 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 may be 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.

Subject	IFRS	U.S. GAAP	Indian GAAP
Historical cost	Uses historical cost, but intangible assets, property plant and equipment (PPE) and investment property may be revalued. Derivatives, biological assets and certain securities must be revalued.	No revaluations except some securities and derivatives at fair value.	Uses historical cost, but property, plant and equipment may be revalued. No comprehensive guidance on derivatives and biological assets.
First-time adoption of accounting frameworks	Full retrospective application of all IFRSs effective at the reporting date for an entity's first IFRS financial statements, with some optional exemptions and limited mandatory exceptions.	First-time adoption of U.S. GAAP requires retrospective application. In addition, particular standards specify treatment for first-time adoption of those standards.	Similar to U.S. GAAP.
Basis of presentation	Financial statements must comply with IFRS.	Financial statements must comply with U.S. GAAP and if a public company, the U.S. Securities and Exchange Commission's (the "SEC") rules, regulations and financial interpretations. Generally, non-consolidated financial statements are not presented.	Financial statements must comply with Indian GAAP.

Subject	IFRS	U.S. GAAP	Indian GAAP
Contents of financial statements — General	Comparative two years' balance sheets, income statements, cash flow statements, changes in shareholders' equity and accounting policies and notes.	Similar to IFRS, except three years required for public companies for all statements except balance sheet where two years are provided.	
Balance sheet	Does not prescribe a particular format; entities should present a classified balance sheet. Assets and liabilities should be disclosed in an order which reflects their relative liquidity with current and non-current classification. Certain items must be presented on the face of the balance sheet.	Does not prescribe a particular format; entities should present a classified balance sheet. Items on the face of the balance sheet are generally presented in decreasing order of liquidity with current and non-current classification. Public companies must follow SEC guidelines regarding minimum disclosure requirements.	
		Restricted accounts are disclosed separately on the face of the balance sheet.	
Income statement	Does not prescribe a standard format, although expenditure must be presented in one of two formats (function or nature). Certain items must be presented on the face of the income statement.	Present as either a single-step or multiple-step format. Expenditures must be presented by function.	
Cash flow statements — format and method	Standard headings, but limited flexibility of contents. Use direct or indirect method.	Similar headings to IFRS, but more specific guidance for items included in each category. Use direct or indirect method.	
Cash flow statements — definition of cash and cash equivalents	Cash includes overdrafts and cash equivalents with original short-term maturities (less than three months).	Cash excludes overdrafts but includes cash equivalents with original short-term maturities of three months or less. Restricted or encumbered cash is not included in cash and cash equivalents.	
	Cash and cash equivalents are disclosed on the face of the balance sheet.	Cash and cash equivalents are disclosed on the face of the balance sheet.	
Cash flows — classification of specific items	(i) Interest and dividend paid — Operating or financing activities.	(i) Interest paid, interest received and dividend received — Operating activities. (direct method). Under the indirect method will be show as the change in the asset/liability or a as supplemental cash disclosure.	(i) Interest and dividend paid — Financing activities.

Subject	IFRS	U.S. GAAP	Indian GAAP
	(ii) Interest and dividend received — Operating or investing activities.	(ii) Dividends paid — Financing activities.	(ii) Interest and dividend received — Investing activities.
	(iii) Taxes paid — Operating — unless specific identification with financing or investing.	(iii) Taxes paid — Operating activities. Supplementary disclosure required.	(iii) Taxes paid — Similar to IFRS.
Statement of changes in Shareholders' Equity	The statement must be presented as a primary statement.	Similar to IFRS. The information may be included in the notes.	No separate statement required. However, any adjustments to equity and reserve account are shown in the schedules/notes accompanying the financial statements.
	The statement shows capital transactions with owners, the movement in accumulated profit and a reconciliation of all other components of equity.		
Comprehensive income	The total of gains and losses recognised in the period comprises net income and the following gains and losses recognised directly in equity:	Comprehensive income is divided into net income and other comprehensive income.	
	fair value gains (losses) on land and buildings, available for sale investments and certain financial instruments; foreign exchange translation differences;	An enterprise that has no items of other comprehensive income in any period presented is not required to report comprehensive income.	
	the cumulative effect of changes in accounting policy; and changes in fair values on certain financial instruments if designated as cash flow hedges, net of tax, and cash flow hedges reclassified to income and/or the relevant hedged asset/liability.	Items included in other comprehensive income shall be classified based on their nature. For example, under existing accounting standards, other comprehensive income shall be classified separately into: cumulative foreign currency translation adjustments; minimum pension liability adjustments; changes in the fair value of cash flow and net investment hedges; and unrealised gains and losses on certain investments in debt and equity securities.	No concept of comprehensive income. However, certain adjustments are allowed through reserves where prescribed by accounting standards, statute or is done in accordance with industry practices and court orders.
	Recognised gains and losses can be presented either in the		

Subject	IFRS	U.S. GAAP	Indian GAAP
	notes or separately highlighted within the primary statement of changes in shareholders' equity.		
Correction of fundamental errors	Restatement of comparatives is mandatory.	Similar to IFRS.	Include effect in the current year income statement.
			The nature and amount of prior period items should be separately disclosed in the statement of profit and loss in a manner that their impact on current profit or loss can be perceived.
Changes in accounting policy	Restate comparatives and prior-year opening retained earnings.	Generally include effect in the current year income statement through the recognition of a cumulative effect adjustment. Disclose pro forma comparatives. Retrospective adjustments for specific items.	Include effect in the income statement for the period in which the change is made except as specified in certain standards (transitional provision) where the change during the transition period resulting from adoption of the standard has to be adjusted against opening retained earnings and the impact needs to be disclosed.
		Recent amendment requires accounting similar to IFRS. The new amendment is applicable to accounting changes that are made in fiscal years beginning after 15 December 2005.	
Contents of financial statements — Disclosures	In general, IFRS has extensive disclosure requirements. Specific items include, among others: the fair values of each class of financial assets and liabilities, customer or other concentrations of risk, income taxes and pensions.	In general, U.S. GAAP has extensive disclosure requirements. Areas where U.S. GAAP requires specific additional disclosures include, among others; concentrations of credit risk, segment reporting, significant customers and suppliers, use of estimates, income taxes, pensions, and comprehensive income.	Generally, disclosures are not extensive as compared to IFRS and U.S. GAAP. Disclosures are driven by the requirements of the Companies Act and the accounting standards.
	Other disclosures include amounts set aside for general risks, contingencies and commitments and the aggregate amount of secured liabilities and the nature and carrying amount of pledged assets.		
Consolidation	The consolidated financial statements include all enterprises that are controlled by the parent.	A company must first evaluate whether the potential subsidiary is a variable interest entity ("VIE") and whether the Company has a variable interest in an entity. A	Consolidation is required when there is a controlling interest, directly or indirectly through subsidiaries, by virtue of holding majority voting shares or control over board of directors

Subject	IFRS	U.S. GAAP	Indian GAAP
	Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than one half of the voting power of an enterprise unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. Control can also exist in certain situations where the parent owns one half or less of the voting power of an enterprise.	variable interest changes with a change in an entity's net asset value and is the means through which expected losses are absorbed and expected residual returns are received. If the entity is a VIE, the Company must evaluate the potential subsidiary under the FIN 46R Consolidation of Variable Interest Entities FIN 46R addresses consolidation of VIE's in which the Company has a primary obligation to absorb losses or receive residual returns, and the equity investment at hand is not sufficient to permit the entity to finance its activities without additional subordinated financial support, regardless of ownership interest.	
		SFAS 94 states that all majority-owned subsidiaries (i.e., all companies in which a parent has a controlling financial interest through direct or indirect ownership of a majority voting interest) must be consolidated unless control does not rest with the majority owner.	
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

Subject	IFRS	U.S. GAAP	Indian GAAP
			may be incorporated at their fair values or value of surrendered assets.
			Goodwill arising under purchase method of accounting is capitalised and amortised over useful life not exceeding five years, unless a longer period can be justified. In case of goodwill arising on consolidation, no specific guidance for amortisation. No specific guidance for impairment of goodwill arising on acquisition or consolidation.
			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. However, in case of an amalgamation accounted under the purchase method, the fair value of intangible assets with no active market is reduced to the extent of capital reserve, if any, arising on the amalgamation.
Revenue recognition — General Criteria	Based on several criteria, which require the recognition of revenue when risks and rewards have been transferred and the revenue can be measured reliably.	Revenue is generally realised or realisable and earned when all of the four revenue recognition criteria are met: persuasive evidence of an arrangement exists; delivery has occurred or services have been rendered; the seller's price to the buyer is fixed or determinable; and collectibility is reasonably assured.	Similar to IFRS. However, under IFRS and U.S. GAAP, the revenue from auction sale would be segregated between recovery of outstanding ground rent and costs; and former classified as ground rent and excess recovery after adjusting recoverable costs as other income.
		U.S. GAAP generally requires title transfer prior to revenue recognition and provides extensive detailed guidance for specific transactions.	
Interest expense	Recognised on an accrual basis. Effective yield method used to amortise non-cash finance charges.	Similar to IFRS.	Similar to IFRS, however, practice varies with respect to recognition of discounts, premiums and costs of borrowings.
Employee benefits — Defined benefit plans	Similar to U.S. GAAP conceptually, although several differences in details.	For gratuity plans, must use the projected unit credit method to determine benefit obligation. Under FASB 158,	Liability for a gratuity plan and compensated absences, which are defined benefit obligations, are accrued based on an actuarial

Subject	IFRS	U.S. GAAP	Indian GAAP
		recognition of funded status is to take effect for fiscal years ending after December 15, 2006, for publicly traded entities. These entities are required to recognize funded status of defined pension plans in the statement of financial position, which was previously being disclosed in the footnotes of the registrants.	valuation. Actuarial gains or losses are recognized immediately in the statement of income.
		An amount equal to the "net periodic pension cost" is to be charged to the statement of financial performance regardless of whether contributions are made during the period. The net periodic pension cost is an actuarially determined amount equal to:	
		1 the present value of future benefits which have accrued during the period; and	
		an interest cost component related to the increase in the projected benefit obligation due to the passage of time; less	
		estimated earnings on invested assets segregated to provide future benefits; and	
		an amortisation of previously unrecognised prior service costs, transition assets/obligations and experience gains/losses.	
		If contributions differ from the net pension cost, an asset representing prepaid pension costs or a liability for unfunded accrued pension costs arises and is recorded in the statement of financial position.	
	Recognition of minimum pension liability is not required.	Recognition of minimum pension liability is required when the accumulated benefit obligation exceeds the fair value of the plan assets and the amount of the accrued liability.	Recognition of minimum pension liability is not required.

Subject	IFRS	U.S. GAAP	Indian GAAP
Employee benefits — Compensated absences	Discounting not prohibited when computing liability for compensated absences.	Similar to IFRS.	Determine liability for compensated absences based on an actuarial valuation.
Employee share compensation	Recognise expense for services acquired. The corresponding amount will be recorded either as a liability or as an increase in equity, depending on whether the transaction is determined to be cash or equity-settled. The amount to be recorded is measured at the fair value of the shares or share options granted.	FAS 123R which is effective for annual periods beginning 15 June 2005 has now dispensed with the intrinsic value method and going forward, all entities would have to use the fair value model. FAS 123 R is applicable to both public and non-public entities.	It is mandatory only for listed entities. Employee stock options granted to the employees under stock option schemes are evaluated as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by the Securities and Exchange Board of India. Accordingly, the excess of the fair value of the stock option as on the date of grant of options is charged to the Profit and Loss Account on straight-line-method over the vesting period of the options. The fair value of the options is measured on the basis of an independent valuation performed or the market price in respect of stock options granted.
Capital issue expenses	The transaction costs of an equity transaction should be accounted for as a deduction from equity, net of any related income tax benefit. The costs of a transaction which fails to be completed should be expensed.	May be set off against the realised proceeds of share issue	May be set off against the securities premium account
Property, Plant & Equipment	Use historical cost or revalued amounts. Regular valuations of entire classes of assets are required, when revaluation option is chosen.	PP&E is recorded at historical acquisition cost. Revaluations are not permitted.	Use historical cost or revalued amounts. On revaluation, an entire class of assets is revalued, or selection of assets is made on systematic basis. No current requirement on frequency of valuation.
Capitalisation of borrowing costs	Permitted for qualifying assets, but not required.	Required. FAS 34 requires interest capitalisation only to the extent that it is an acquisition cost. Accordingly, real estate projects under development are qualifying assets; however, real estate held for future development or sale is not. FAS 34, par. 11 states that interest should be capitalised on land expenditures only when development activities are in progress. Assets qualifying for interest capitalisation include real estate developments intended	Required. Accounting Standard ("AS") 16, Borrowing Costs, defines the term 'qualifying asset' as "an asset that necessarily takes a substantial period of time to get ready for its intended use or sale". The following assets ordinarily take twelve months or more to get ready for intended use or sale unless the contrary can be proved by the enterprise: (i) assets that are constructed or otherwise produced for an enterprise's own use, e.g., assets constructed under major capital expansions; and

Subject	IFRS	U.S. GAAP	Indian GAAP
		for sale or lease that are constructed as discrete projects. Land that is not undergoing activities necessary to prepare it for its intended use does not qualify for capitalisation. When development activities are undertaken, however, expenditures to acquire land qualify for interest capitalisation while the development activities are in process. If the resulting asset is a structure, the interest capitalised on land expenditures becomes part of the cost of the structure; if the resulting asset is developed land, the capitalised interest is part of the cost of the land. SFAS No. 34 provides guidance on determining the appropriate amount of interest to be capitalised.	(ii) assets intended for sale or lease that are constructed or otherwise produced as discrete projects (for example, ships or real estate developments).
Depreciation and Amortisation	Allocated on a systematic basis to each accounting period over the estimated useful life of the asset. Estimated useful life should be reviewed every year. Intangible assets with indefinite life are not amortised but are tested for impairment annually.	Similar to IFRS.	Depreciation is provided at the rates specified in Schedule XIV of the Companies Act. There is no concept of indefinite life intangible assets.
	Impairment loss is recorded in the income statement. Reversal of loss is permitted in certain cases.	Impairment loss is recorded in the income statement as a separate line item - Reversals of impairment loses are prohibited.	
Leases – classification	A lease is a finance lease if substantially all risks and rewards of ownership are transferred. Substance rather than form is important.	Similar to IFRS, but with more extensive form-driven requirements. Specific rules must be met to record a finance or capital lease a prescribed under FASB 13	Similar to IFRS.
Leases - lessor accounting	Record amounts due under finance leases as a receivable. Allocate gross earnings to give constant rate of return based on (pre-tax) net investment method.	Similar to IFRS, but with specific rules for leveraged leases as prescribed under FAS 13.	Similar to IFRS.
Leases - lessee accounting	Record finance leases as asset and obligation for future rentals. Depreciate over useful life of asset. Apportion	Similar to IFRS.	Similar to IFRS.

Subject	IFRS	U.S. GAAP	Indian GAAP
	rental payments to give constant interest rate on outstanding obligation. Charge operating lease rentals on straight-line basis.		
Leases — lessee accounting: sale and leaseback transactions	For a finance lease, defer and amortise profit arising on sale and finance leaseback. If an operating lease arises, profit recognition depends on sale proceeds compared to fair value of the asset. Consider substance/linkage of the transactions.	Timing of profit and loss recognition depends on whether seller relinquishes substantially all or a minor part of the use of the asset. Immediately recognise losses. Consider specific strict criteria if a property transaction.	Similar to IFRS.
Investments	Investments in are classified as held-to maturity, available-for-sale or held trading at acquisition.	Similar to IFRS but no option to classify all financial assets "at fair value through profit or loss".	Long-term investments are carried at cost (with provision for other than temporary diminution in value).
	Investments classified as held-to-maturity are recorded at amortised cost less impairment, if any. Realised gains and losses are reported in earnings.	Investments in listed equity securities can only be classified as available for sale or as trading.	Current investments carried at lower of cost or fair value.
	Investments classified as available-for-sale are reported at fair value. Unrealised gains and losses on the change in fair value are reported in equity, less impairment, if any.	Investments in unlisted equity securities are recorded at cost less impairment, if any.	
	Investments classified as trading are reported at fair value with unrealised gains and losses included in earnings.		
	There is an option in IFRS to classify any financial asset "at fair value through profit or loss". Changes in fair values in respect of such securities are recognised in the income statement. This is an irrevocable option to classify a financial asset at fair value through profit or loss.		
	Generally, in a non-consolidated financial statements, investment in subsidiary is accounted under the equity method.	Similar to IFRS.	In a non-consolidated financial statements, investment in subsidiary is carried at cost less impairment, if any.
Foreign currency transactions	Transactions in foreign currency are accounted for at the exchange rate prevailing	Similar to IFRS.	Similar to IFRS, except for the following:

Subject	IFRS	U.S. GAAP	Indian GAAP
	on the transaction date. Foreign currency assets and liabilities are restated at the year-end exchange rates.		exchange difference arising on repayment/restatement of liabilities incurred prior to 1 April 2004 for the purposes of acquiring fixed assets, is adjusted in the carrying amount of the respective fixed assets; and exchange difference arising on repayment/restatement of liabilities incurred on or after 1 April 2004 but before 1 April 2011 for the purposes of acquiring fixed assets is adjusted in the carrying amount of the respective fixed assets.
			The amounts so adjusted are depreciated over the remaining useful life of the respective fixed assets.
Provisions	Record the provisions relating to present obligations from past events if outflow of resources is probable and can be reliably estimated.	Similar to IFRS Rules for specific situations (including employee termination costs, environmental liabilities and loss contingencies).	Similar to IFRS.
	Discounting required if effect is material.	Discounting required only when timing of cash flows is fixed.	Discounting is not permitted.
Contingent Assets	A possible asset that arise 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. The item is recognised as an asset when the realisation of the associated benefit such as an insurance recovery, is virtually certain.	Contingent assets are recognised, when realised, generally upon receipt of consideration. However, there are very strict rules under FASB 5 that govern contingent gains. Usually such gains are disallowed.	Similar to IFRS, except that certain disclosures as specified in IFRS are not required.
Contingent liability	A possible obligation whose outcome will be confirmed only on the occurrence or non-occurrence of uncertain future events outside the entity's control. It can also be a present obligation that is not recognised because it is not probable that there will be an outflow of economic benefits, or the amount of the outflow cannot be reliably measured. Contingent liabilities are disclosed unless the probability of outflows is remote.	An accrual for a loss contingency is recognised if it is probable (defined as likely) that there is a present obligation resulting from a past event and an outflow of economic resources is reasonably estimable. If a loss is probable but the amount is not estimable, the low end of a range of estimates is recorded. Contingent liabilities are disclosed unless the probability of outflows is remote.	Similar to IFRS. Disclosure may be limited compared to US GAAP and IFRS.

Subject	IFRS	U.S. GAAP	Indian GAAP
Debt issue costs	Permits, but does not require, direct incremental costs of issuing debt to be deferred as an asset and amortised as an adjustment to yield.	Debt issue costs should be deferred as an asset and amortised as an adjustment to yield. Amortisation should be done based on the interest method, but other methods may be used if the results are not materially different from the interest method.	Debt issue costs are expensed as incurred.
Dividends	Dividends are recorded as liabilities when declared.	Similar to IFRS.	Dividends are recorded as provisions when proposed.
Deferred income taxes	Use full provision method (some exceptions), driven by balance sheet temporary differences. Recognise deferred tax assets if recovery is probable. Deferred tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the balance sheet date.	Deferred income tax assets and liabilities are determined using the balance sheet method. The net deferred tax asset or liability is based on temporary differences between the book and tax bases of assets and liabilities, and recognises enacted changes in tax rates and laws. U.S. GAAP permits deferred tax assets to be recognised for any operating loss carry forwards to the extent that it is more likely than not that they will be realised. A valuation allowance should be recorded against deferred tax assets when it is determined that realisation of the deferred tax asset is less than more likely than not. The FASB recently issued FIN 48, "Accounting for Uncertainty in Income Taxes." FIN 48 which establishes the criteria than an individual tax position would have to meet for recognition in the financial statements. FIN 48 applies to all tax positions that are accounted for under FAS 109. The term tax position includes, but is not limited to the following: • a decision not to file a tax return in a jurisdiction • the allocation of income between jurisdiction • the characterization of income in the tax return • decision to exclude taxable income in the	Deferred tax assets and liabilities should be recognised for all timing differences subject to consideration of prudence in respect of deferred tax assets. Where an enterprise has unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets should be recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it is certain that such previously unrecognised deferred tax assets will be realised. Deferred tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the balance sheet date.

Subject	IFRS	U.S. GAAP	Indian GAAP
		tax return • decision to classify a transaction, entity, or other position as tax-exempt in the tax return. A separate measurement step is to be taken to determine the amount of tax benefit to be recorded for financial statement purposes, but only if the more-likely-than-not recognition threshold is met, and the recorded tax benefit will equal the largest amount of tax benefit that is greater than 50% likely being realized upon ultimate settlement with a tax authority.	
Measurement of derivative instruments and hedging activities	Measure derivatives and hedge instruments at fair value. Recognise the changes in fair value in the income statement, except for effective cash flow hedges, where the changes are deferred in equity until effect of the underlying transaction is recognised in the income statement. Ineffective portions of hedges are recognised in the income statement. IFRS requires extensive documentation and effectiveness testing to obtain hedge accounting.	Similar to IFRS, except no 'basis adjustment' on cash flow hedges of forecast transactions.	Derivatives are initially measured at cost. However, there is no comprehensive guidance for derivative accounting.
	Gains/losses from hedge instruments that are used to hedge forecast transaction may be included in cost of non-financial asset/liability (basis adjustment).		
Fringe Benefits Tax	Fringe Benefits Tax is included as part of the related expense (fringe benefit) which gives rise to incurrence of the tax.	Similar to IFRS.	Fringe Benefits Tax has been abolished from 1st April, 2009
Derecognition of financial assets	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.	No specific guidance. In general, derecognise financial assets based on risks and rewards of ownership.
			A guidance note issued by ICAI on securitisation requires derecognition based on control.
Financial liabilities –	Classify capital instruments	Where an instrument is not a	No specific guidance. In practice,

Subject	IFRS	U.S. GAAP	Indian GAAP
classification	depending on substance of the issuer's obligations. Mandatorily redeemable preference shares classified as liabilities.	share, classify as liability when obligation to transfer economic benefit exists. Similar to IFRS.	classification is based on legal form rather than substance. All preference shares are shown separately as share capital under shareholders' funds.
Derecognition of financial liabilities	Derecognise liabilities when extinguished. The difference between the carrying amount and the amount paid is recognised in the income statement. IFRS uses 10% threshold for differentiating modification in the terms from extinguishment of liabilities	Similar to IFRS.	No specific guidance but practice is similar to IFRS. No 10% criteria is specified.
Capital instruments - purchase of own shares	Show as deduction from equity.	Similar to IFRS.	Purchase of own shares are permitted under limited circumstances subject to the legal requirements stipulated in the Companies Act. On purchase, such shares are required to be cancelled i.e. cannot be kept as treasury stock.
Functional currency definition	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.
Financial currency – determination	If indicators are mixed and functional currency is not obvious, use judgement 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.
Earnings per share – diluted	Use weighted average potential dilutive shares as denominator for diluted EPS.	Similar to IFRS	Similar to IFRS.
	Use 'treasury share' method for share options/warrants.		
Post balance sheet events	Adjust the financial statements for subsequent events, providing evidence of conditions at balance sheet date and materially affecting amounts in financial statements (adjusting events). Disclosing non-adjusting	Similar to IFRS.	Similar to IFRS. However, non-adjusting events are not required to be disclosed in financial statements but are disclosed in report of approving authority e.g. Directors' Report.

Subject	IFRS	U.S. GAAP	Indian GAAP
	events.		
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.	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).	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.
Segment reporting	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.

FINANCIAL STATEMENTS OF JSWERL, RWPL, JPTL AND BLMCL

Financial Statements of JSW Energy (Ratnagiri) Limited

BALANCE SHEET AS AT

Rs. In Million

	Sept 30, 2009	Sept 30, 2008	Mar 31, 2009	Mar 31, 2008	Mar 31, 2007
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	8,280.71	4,750.01	5,885.01	4,550.01	500.01
Loan Funds					
Secured Loans	18,371.94	2,821.57	10,159.71	1,880.00	-
Total	**26,652.64**	**7,571.57**	**16,044.72**	**6,430.01**	**500.01**
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	385.68	246.40	352.13	189.87	39.86
Less: Depreciation	16.26	8.25	12.94	6.11	3.02
Net Block	369.42	238.15	339.19	183.76	36.84
Capital Work in Progress	31,711.25	8,412.77	19,848.40	5,027.97	109.71
	32,080.67	**8,650.92**	**20,187.59**	**5,211.73**	**146.55**
Investments	-	-	-	-	200.00
Current Assets, Loans and Advances					
Cash and Bank Balances	573.24	36.13	1,104.72	1,346.46	54.33
Loans and Advances	46.16	85.52	72.37	17.28	106.84
	619.40	**121.65**	**1,177.10**	**1,363.74**	**161.17**
Less: Current Liabilities and Provisions					
Liabilities	6,047.42	1,200.17	5,319.60	145.43	6.18
Provisions	-	0.83	0.37	0.04	1.53
	6,047.42	**1,201.00**	**5,319.97**	**145.47**	**7.71**
Net Current Assets	**(5,428.03)**	**(1,079.35)**	**(4,142.88)**	1,218.27	153.46
Total	**26,652.64**	**7,571.57**	**16,044.72**	**6,430.01**	**500.01**

CASH FLOW STATEMENT FOR THE PERIOD ENDED

Rs. In Million

	Sept 30, 2009	Sept 30, 2008	Mar 31, 2009	Mar 31, 2008	Mar 31, 2007
A. CASH FLOW FROM OPERATING ACTIVITIES	-	-	-	-	-
B. CASH FLOW FROM INVESTMENT ACTIVITIES					
Purchase of Fixed Assets net of creditors	(33.55)	(56.53)	(162.27)	(150.01)	(34.03)
Capital Work in Progress net of creditors	(9,787.31)	(2,076.74)	(7,936.44)	(4,454.73)	(28.54)
Preoperative Expenses to be Capitalised	(547.09)	(126.86)	(1,240.35)	(315.90)	(76.55)
Loans and advances	26.21	(68.24)	(55.09)	87.66	(106.56)
Investment in JSW Infrastructure & Logistics Ltd	-		-	200.00	(200.00)
Other Income	1.89	6.63	27.97	5.56	
Tax paid	(0.67)	-	(10.27)	(2.42)	
NET CASH USED IN INVESTMENT ACTIVITIES	**(10,340.51)**	**(2,321.74)**	**(9,376.45)**	**(4,629.85)**	**(445.68)**
C. CASH FLOW FROM FINANCING ACTIVITIES					
Issue of Shares/Share Application Money	2,395.70	200.00	1,335.00	4,050.00	500.01
Secured Loan	8,212.23	941.57	8,279.71	1,880.00	-
Interest paid	(798.91)	(130.15)	(480.00)	(8.01)	-
NET CASH USED IN FINANCING ACTIVITIES	**9,809.02**	**1,011.42**	**9,134.71**	**5,921.99**	**500.01**
NET INCREASE / DECREASE (-) IN CASH AND					
CASH EQUIVALENTS (A+B+C)	(531.49)	(1,310.33)	(241.74)	1,292.14	54.33
CASH AND CASH EQUIVALENTS					
OPENING BALANCES	1,104.72	1,346.46	1,346.46	54.33	-
CASH AND CASH EQUIVALENTS					
CLOSING BALANCES	**573.24**	**36.13**	**1,104.72**	**1,346.46**	**54.33**

Financial Statements of Raj Westpower Limited

BALANCE SHEET AS AT

Rs. In Million

	Sept 30, 2009	Sept 30, 2008	Mar 31, 2009	Mar 31, 2008	Mar 31, 2007	Mar 31, 2006	Mar 31, 2005
SOURCES OF FUNDS							
Shareholders' Fund							
Share Capital	14,009.99	8,578.59	10,694.99	6,808.59	1,648.53	18.52	0.52
Loan Funds							
Secured Loans	28,936.45	16,017.97	25,086.19	4,737.60	-		
Unsecured Loans	5.78	5.78	5.78	5.78	5.78	5.78	13.81
Total	**42,952.22**	**24,602.34**	**35,786.96**	**11,551.97**	**1,654.30**	**24.30**	**14.33**
APPLICATION OF FUNDS							
Fixed Assets							
Gross Block	150.21	129.75	139.54	113.25	3.42	1.78	-
Less: Depreciation	6.77	2.33	4.60	1.39	0.28	0.01	-
Net Block	143.44	127.41	134.94	111.86	3.14	1.77	-
Capital Work In Progress	45,725.20	25,652.16	41,792.27	11,712.90	271.70	19.12	15.37
	45,868.64	**25,779.58**	**41,927.21**	**11,824.76**	**274.83**	**20.89**	**15.37**
Invesments	**98.01**	**98.01**	**98.01**	**98.01**	**0.25**	**-**	**-**
Current Assets, Loans and Advances							
Inventories	135.73	-					
Cash and Bank Balances	136.82	526.07	368.09	234.39	1,051.13	4.40	0.00
Loans and Advances	3,064.06	825.08	864.84	404.32	337.25	0.17	0.02
	3,336.61	**1,351.15**	**1,232.93**	**638.72**	**1,388.39**	**4.56**	**0.02**
Less: Current Liabilities and Provisions							
Liabilities	6,351.04	2,626.40	7,471.19	1,009.39	8.76	1.15	1.09
Provisions			-	0.13	0.43	0.03	-
	6,351.04	**2,626.40**	**7,471.19**	**1,009.52**	**9.19**	**1.18**	**1.09**
Net Current Assets	**(3,014.43)**	**(1,275.25)**	**(6,238.26)**	**(370.80)**	**1,379.19**	**3.38**	**(1.07)**
Miscellaneous Expenditure	**-**	**-**	**-**	**-**	0.03	0.03	0.03
Total	**42,952.22**	**24,602.34**	**35,786.96**	**11,551.97**	**1,654.30**	**24.30**	**14.33**

RAJ WESTPOWER LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDED

Rs. In Million

	Sept 30, 2009	Sept 30, 2008	Mar 31, 2009	Mar 31, 2008	Mar 31, 2007	Mar 31, 2006	Mar 31, 2005
A. CASH FLOW FROM OPERATING ACTIVITIES	-	-	-	-	-	-	-
B. CASH FLOW FROM INVESTMENTACTIVITIES							
Purchase of Fixed Assets	(10.66)	(16.50)	(26.29)	(109.83)	(1.64)	(1.01)	-
Capital Work in Progress net of Creditors	(3,056.23)	(10,235.08)	(19,219.09)	(9,820.59)	(196.28)	(1.99)	-
Addition to Stores, Raw Materials	(135.73)	-	-	-	-	-	-
Preoperative Expenses to be capitalised	(327.17)	(1,479.27)	(2,462.96)	(527.84)	(48.01)	(2.43)	(0.76)
Loans and advances	(2,199.22)	(420.75)	(460.52)	(67.07)	(337.08)	(0.15)	(0.02)
Purchase of Investment	-	-	-	(97.77)	(0.25)	-	-
Other Income	1.17	10.02	11.84	10.90	-	-	-
Tax paid	(0.86)	(3.87)	(5.04)	(3.67)	-	-	-
NET CASH USED IN INVESTMENT ACTIVITIES	**(5,728.71)**	**(12,145.46)**	**(22,162.07)**	**(10,615.88)**	**(583.27)**	**(5.58)**	**(0.77)**
C. CASH FLOW FROM FINANCING ACTIVITIES							
Repayment of Borrowings	-	-	-	-	-	(8.03)	(0.54)
Issue of Shares	3,315.00	1,770.00	3,886.40	5,160.07	1,630.01	18.00	-
Proceeds from Borrowings	3,850.26	11,280.37	20,348.59	4,737.60	-	-	1.31
Interest paid	(1,667.82)	(613.24)	(1,939.23)	(98.53)	-	-	-
NET CASH USED IN FINANCING ACTIVITIES	**5,497.44**	**12,437.14**	**22,295.76**	**9,799.14**	**1,630.01**	**9.97**	**0.77**
NET INCREASE/ (DECREASE) IN CASH AND							
CASH EQUIVALENTS (A+B+C)	(231.27)	291.68	133.69	(816.74)	1,046.74	4.39	(0.01)
CASH AND CASH EQUIVALENTS -							
OPENING BALANCES	368.09	234.39	234.39	1,051.13	4.40	0.00	0.01
CASH AND CASH EQUIVALENTS							
CLOSING BALANCES	**136.82**	**526.07**	**368.09**	**234.39**	**1,051.13**	**4.40**	**0.00**

Financial Statements of Jaigad Powertransco Limited

BALANCE SHEET AS AT

Rs. In Million

	Sept 30, 2009	Sept 30, 2008	Mar 31, 2009
SOURCES OF FUNDS			
1. Shareholders' Funds:			
Share Capital	585.30	0.68	585.30
Advance against Share Capital	143.88	355.50	143.88
2. Loan Funds:			
Secured Loans	1,003.87	-	-
Total	**1,733.05**	**356.18**	**729.18**
APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	0.41	-	0.28
b) Less: Depreciation	0.14	-	0.10
c) Net Block	0.27	-	0.18
d) Capital Work in Progress and pre-operative expenditure during construction period (pending allocation)	3,214.69	375.78	2,109.24
Total	3,214.97	375.78	2,109.42
2. Current Assets, Loans & Advances			
a) Cash and Bank Balances	84.51	0.66	8.56
b) Loans and Advances	1.04	0.27	0.31
	85.54	0.93	8.87
Less: Current Liabilities & Provisions			
a) Liabilities	1,567.27	20.54	1,389.03
b) Provisions	0.20	-	0.08
	1,567.46	20.54	1,389.11
Net Current Assets	(1,481.92)	(19.60)	(1,380.24)
Total	**1,733.05**	**356.18**	**729.18**

CASH FLOW STATEMENT FOR THE PERIOD ENDED

Rs. In Million

	Sept 30, 2009	Sept 30, 2008	Mar 31, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES			**-**
B. CASH FLOW FROM INVESTMENT ACTIVITIES			
Purchase of Fixed Assets	(0.13)	-	(0.28)
Capital Work in progress & pre-operative expenses (net of creditors)	(923.20)	(355.24)	(720.02)
Loans and advances	(0.73)	(0.27)	(0.31)
NET CASH USED IN INVESTMENT ACTIVITIES	**(924.05)**	**(355.51)**	**(720.61)**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Issue of Shares	-	0.68	585.30
Advance against Share Capital	-	355.50	143.88
Borrowings	1,000.00	-	
NET CASH USED IN FINANCING ACTIVITIES	**1,000.00**	**356.18**	**729.18**
NET INCREASE / DECREASE (-) IN CASH AND			
CASH EQUIVALENTS (A+B)	**75.95**	**0.66**	**8.56**
CASH AND CASH EQUIVALENTS - OPENING BALANCES	8.56		**-**
CASH AND CASH EQUIVALENTS - CLOSING BALANCES	**84.51**	**0.66**	**8.56**

Financial Statements of Barmer Lignite Mining Company Limited

BALANCE SHEET AS AT

Rs. In Million

	Sept 30, 2009	Sept 30, 2008	Mar 31, 2009	Mar 31, 2008	Mar 31, 2007
SOURCES OF FUNDS					
1. Shareholders' Funds					
Share Capital	200.00	200.00	**200.00**	200.00	0.50
Share Application Money	-	-	-	-	97.76
2. Loan Funds					
Unsecured Loans	2,992.78	751.78	**757.78**	259.78	232.27
Total	**3,192.78**	**951.78**	**957.78**	**459.78**	**330.52**
APPLICATION OF FUNDS					
1. Fixed Assets					
a) Gross Block	-	-	-	-	-
b) Less: Depreciation	-	-	-	-	-
c) Net Block	-	-	-	-	-
d) Capital Work In Progress and Pre - operative Expenditure during the construction period (Pending Allocation)	3,197.31	947.76	**963.05**	465.33	327.49
	3,197.31	**947.76**	**963.05**	**465.33**	**327.49**
2. Investments	-	-	-	-	-
3. Current Assets, Loans & Advances					
a) Cash and Bank Balances	0.77	2.88	0.73	2.17	3.76
b) Loans and Advances			-	-	-
	0.77	**2.88**	**0.73**	**2.17**	**3.76**
Less: Current Liabilities & Provisions					
a) Liabilities	7.42	1.00	**8.14**	9.86	2.86
b) Provisions	0.02	-	-	-	-
	7.44	**1.00**	**8.14**	**9.86**	**2.86**
Net Current Assets	**(6.66)**	**1.88**	**(7.41)**	**(7.69)**	**0.90**
4. Miscellaneous Expenditure					
Preliminary Expenses	2.13	2.13	2.13	2.13	2.13
Total	**3,192.78**	**951.78**	**957.78**	**459.78**	**330.52**

CASH FLOW STATEMENT FOR THE PERIOD ENDED

Rs. In Million

	Sept 30, 2009	Sept 30, 2008	Mar 31, 2009	Mar 31, 2008	Mar 31, 2007
A. CASH FLOW FROM OPERATING ACTIVITIES	**-**	**-**	**-**	-	-
B. CASH FLOW FROM INVESTMENT ACTIVITIES					
Capital Work in Progress net of Creditors	(2,230.69)	(458.86)	(448.88)	6.19	(1.48)
Preoperative Expenses to be capitalised	(4.26)	(32.43)	(50.56)	(35.29)	(325.02)
Loans and Advances	-	-	-	-	-
NET CASH USED IN INVESTMENT ACTIVITIES	**(2,234.95)**	**(491.29)**	**(499.44)**	**(29.10)**	**(326.50)**
C.CASH FLOW FROM FINANCING ACTIVITIES					
Purchase Of Investments	**-**	**-**	**-**	-	-
Isssue of Shares			**-**	-	98.00
Proceeds from Borrowings	2,235.00	492.00	498.00	27.51	232.27
NET CASH USED IN FINANCING ACTIVITIES	**2,235.00**	**492.00**	**498.00**	**27.51**	**330.27**
NET INCREASE/ (DECREASE) IN CASH AND					
CASH EQUIVALENTS (A+B+C)	0.05	0.71	(1.44)	(1.59)	3.76
CASH AND CASH EQUIVALENTS					
OPENING BALANCES	0.73	2.17	2.17	3.76	-
CASH AND CASH EQUIVALENTS					
CLOSING BALANCES	**0.77**	**2.88**	**0.73**	**2.17**	**3.76**

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 which appear in this Red Herring Prospectus. Unless otherwise stated, the financial information used in this section is derived from the Company's restated consolidated financial statements except for any financial information for the year ended March 31, 2005 for which the Company only has unconsolidated financial statements. The Company has only unconsolidated financial statements for the year ended March 31, 2005 as the Company did not have any subsidiaries during the year ended March 31, 2005. 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 286 of this 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 JSW Energy Limited. Unless the context otherwise requires, references to "we", "us", "our" or "JSWEL" refers to JSW Energy 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 Red Herring Prospectus.

Overview

We are an established energy company with 860 megawatts, or MW, of operational generating capacity and 2,790 MW of generating capacity in the construction or implementation phase, 135 MW of which has been commissioned. In addition, we have power generation projects at an early stage under development with a proposed combined installed capacity of 7,740 MW. We believe that we are one of the early entrants in the power trading business. Currently most of our revenue is derived from power generation. It is our goal and strategy to become a leading full-service integrated power company in the Indian power sector with presence across the value chain. As part of that strategy and with the aim of managing sustainable growth and reducing potential constraints on such growth, we have entered into various joint ventures for the development of transmission lines for our power generation projects, coal and lignite mining to procure captive fuel supply for certain of our power generation projects and the manufacture of steam turbines and generators for power plants. We are currently exploring opportunities in coal mine acquisitions, power distribution business and generation through non-conventional energy sources.

We were incorporated in 1994, with the objective to develop, construct and operate power plants. We have been in the business of power generation since 2000 and our consolidated revenues increased from Rs. 13,260.74 million in fiscal 2008 to Rs. 18,521.61 million in fiscal 2009, an increase of 39.67%. For the six months ended September 30, 2009, our profit after tax was Rs 2,675.79 million, which is almost equal to our profit after tax for fiscal 2009. Our employee base increased from 414 employees in fiscal 2008 to 665 employees in fiscal 2009. We believe we have realized our growth because we are an established power company with a track record, operational efficiency, industry experience, and a deep understanding of the power industry in India. We are a part of the JSW Group, headed by Mr. Sajjan Jindal, which is in turn a part of the O.P. Jindal Group. The JSW Group has a presence in the steel, power, cement, software, and infrastructure sectors, with revenue in excess of Rs. 168,000 million for the year ended March 31, 2009. As at September 30, 2009, the JSW Group employed more than 8,500 employees. As part of the JSW Group, we benefit from group synergies, including access to talent, competitive commercial terms, and access to critical equipment and suppliers.

Our power plants are planned to be diverse in geographic location, fuel source and off-take arrangements. As part of our power generation business, we currently own and operate power plants in Karnataka with an aggregate capacity of 860 MW, have commissioned 135 MW of RWPL's 1,080 MW power plant in Rajasthan and, based on our internal estimates, we expect to commission power plants with a further 570 MW of capacity, comprising 2x135 MW of RWPL's 1,080 MW power plant in Rajasthan and 1x300 MW of JSWERL's 1,200 MW power plant in Maharashtra, in fiscal 2010. We are also expanding our generation capacity by an additional

1,575 MW, which based on our internal estimates, we expect to commission by fiscal 2011 through the remaining 5x135MW units of RWPL's 1,080 MW power plant in Karnataka and the remaining 3x300 MW of JSWERL's 1,200 MW power plant in Maharashtra. In addition, we expect to have additional aggregate generation capacity of 8,250 MW through our projects under implementation and development. Each project is planned to be strategically located either near an available fuel source, load centre or infrastructure facilities. We sell power through a combination of long-term and short-term power purchase arrangements and through the power exchanges in India to state-owned utilities, power trading companies and some industrial consumers. Without compromising our risk management policies, our profitability over the past three years has significantly improved as we have increased the sale of power through short-term power purchase agreements in lieu of long-term power purchase agreements from 0% in fiscal 2005 to 61% in fiscal 2009 and to 74% during the six months ended September 30, 2009 of our total power sold during those fiscal years. We sell power on a short-term basis through our power trading company, JSWPTC, pursuant to a MoU with JSWPTC.

We have been engaged in power trading activities since June 2006. The Central Electricity Regulatory Commission, or "CERC", has granted us a "F" category license which is the highest license category available to trade power in India.

We have entered into joint ventures in mining, the manufacture of steam turbines and generators and power transmission. Our mining joint ventures relate to allocations of coal and/or lignite blocks which we have received and will provide a captive fuel source for our projects in Rajasthan and Chhattisgarh. We expect our joint venture in equipment manufacture to provide us with high quality steam turbines and generators for our power generation business at competitive prices. We have entered into a joint venture agreement with the Maharashtra State Electricity Transmission Company Ltd ("MSETCL") and have incorporated a joint venture company, Jaigad PowerTransco Limited ("JPTL") to build and own transmission systems and to carry out transmission related activities.

We have a track record in the development and management of power projects and power plants. We also provide operation and maintenance services for power plants of a group company.

Our 260 MW power plant in Karnataka has received the National Award to Power Utilities for Meritorious Performance for fiscal 2007 and fiscal 2008 from the Ministry of Power, Government of India, the National Award for Excellence in Thermal Power Generation by IEEMA and various other awards at state and regional levels.

Merger

Pursuant to a scheme of arrangement approved by the court, JSW Energy (Vijayanagar) Limited and JSW PowerTransco Limited were merged with our Company, with the appointed date of April 1, 2008 and the Company being the surviving entity. In respect of our merger, Rs. 914.80 million was credited to our General Reserve account instead of our Capital Reserve account. This treatment is in compliance with paragraph 23 of Accounting Standard (AS) 14 "Accounting for Amalgamations", as the scheme of merger approved by the High Court provided for the credit to our General Reserve account. For further details, please see Note 3(i) of our Standalone Financial Statements and Note 6(j) of our Consolidated Financial Statements.

Revenue

Our total income currently comprises of:

- income from the power generation business;
- income from power trading business;
- income from O&M services; and
- other income.

As part of our strategy to be present in other sectors of the power sector value chain, on August 5, 2008, we entered into a joint venture agreement with MSETCL and have incorporated a joint venture company, JPTL to build and own transmission systems and networks and carry out transmission related activities. We have a 74% shareholding interest in this joint venture.

JPTL's first venture is the construction of two 400kV double circuit quad moose transmission lines in the State of Maharashtra. This project is currently under construction and we expect to derive income from our interest in JPTL once the project is completed.

Power generation business

As our power projects become operational, we expect to derive income primarily from the sale of electricity to state-owned distribution companies and industrial consumers and through power exchanges in India. We currently have two operational power plants.

Pricing

We currently sell and plan to sell electricity pursuant to a mix of off-take arrangements, including long-term PPAs and short-term PPAs and through power exchanges in India. Out of an installed capacity of 3,650 MW of power generation that is either operational, under construction or under implementation, we have entered into definitive off-take arrangements for 1,986 MW of power comprising 306 MW of our JSWEL SBU-II 600 MW plant, 600 MW of our 1,200 MW JSWERL power plant and the entire capacity of our 1,080 MW RWPL power plant. In addition, we have entered into a PPA with JSWSL, pursuant to which JSWSL has the option of purchasing up to 260 MW of power from JSWEL SBU-I's operational 260 MW plant in Karnataka.

- Long-term PPAs:

    - *With JSWSL, industrial consumers and others*. We have historically derived income from the sale of power to JSWSL, KPTCL and Jindal Praxair Oxygen Company Private Limited. Our power off-take arrangement with KPTCL expired in July 2005. Under these historical PPAs, pricing was based on a two-part tariff basis which provides for a return on equity of 16% at base PLF of 85%.

      The tariff as per our current PPA with JSWSL, relating to our JSWEL SBU-I 260 MW power plant which expires on March 31, 2012, is fixed at Rs. 2.60 per kWh, assuming a fuel cost of Rs. 1.30 per kWh. To the extent the fuel cost per kWh varies from Rs. 1.30 per kWh, a corresponding adjustment is made to the tariff of Rs. 2.60 per kWh.

      The proportion of power sold to JSWSL has declined since fiscal 2005 and we expect to sell an even lower proportion to JSWSL going forward under the 260 MW PPA as a result of captive power capacity being augmented at JSWSL and also upon the commissioning of the units at JSWEL SBU-II which will supply 300 MW of power to JSWSL. Under the PPA with JSWSL, we pass through any variations in our fuel cost to JSWSL. During fiscal 2009, we sold approximately 39% of total power produced from the 260 MW operational power plant to JSWSL as compared to 73% of total power produced in fiscal 2005.

      During the six months ended September 30, 2009, our 260 MW JSWEL SBU-I power plant sold to JSWSL approximately 10% of the net power generated, as compared to 34% of the net power generated during the six months ended September 30, 2008. The proportion of power sold to JSWSL has further declined to 26% of total power produced during the six months ended September 30, 2009 after the commencement of commercial operations at both the 300 MW units of our 600 MW JSWEL SBU-II power plant as compared to 34% of total power produced during the six months ended September 30, 2008.

      We have entered into PPAs with JSWSL and JSWCL for 300 MW and 6 MW (with an option to sell an additional 18 MW of power) of power, respectively from the 600 MW JSWEL SBU-II power plant. The PPA with JSWSL provides for a fixed capacity charge component including a return on equity of 20%, a variable energy charge and an incentive payment of Rs. 0.25 per kWh for power supplied in excess of a PLF of 85%. The capacity charge is recovered at a base PLF of 85%. The PPA with JSWCL provides for a fixed capacity charge including return on equity of 50% and a variable energy charge. The capacity charge is recovered at a base PLF of 85%. The PPAs with JSWSL and JSWCL are for a period of 10 years.

We have also entered into a PPA with AEL for 270 MW of net capacity out of 300 MW of power from unit 2 of JSWERL's 1,200 MW power plant. The PPA with AEL provides for a minimum tariff of Rs. 3.00 per kWh on average and is for a term of 12 years.

- *Two-part Tariff pricing based*. We typically enter into long-term PPAs with state-owned companies with a tariff based pricing. Under this arrangement, we are guaranteed a post-tax return on equity in accordance with the rates approved by the relevant electricity regulatory commission. We intend to sell power on this basis for our RWPL (Phase I) project. See "—Two-part Tariff pricing" on page 313 of this Red Herring Prospectus for more information.

- *Competitive bidding based*: We also expect to enter into long-term PPAs with state-owned or private distribution companies that are based on Case I and Case II bids where we determine the appropriate bid price based on projected costs. We have entered into PPAs for our Ratnagiri project on this basis and also expect to enter into such PPAs for certain of our projects under construction and development.

  We entered into a PPA with MSEDCL for 300 MW of power from the JSWERL's 1,200 MW power plant under a Case I bid. The PPA with MSEDCL provides for i) a capacity charge and an energy charge; ii) escalation on fuel charges related to foreign currency fluctuations and fuel price variations as declared by CERC; iii) escalation on a certain portion of capacity charges; and iv) an incentive payment at a rate of 40% of the capacity charge, up to a maximum of Rs. 0.25 per kWh, shall be payable if power is supplied in excess of a PLF of 80%. In the event the power plant is unable to achieve a PLF of 80%, the fixed charge is adjusted for the shortfall in generation below a PLF of 75% and JSWERL is liable to pay a penalty equal to 20% of the average fixed charge on the units under shortfall. The PPA with MSEDCL is for a term of 25 years.

• Short-term PPAs:

We have entered into and intend to continue to enter into 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 and off-take agreements may also be better suited for our power plants that are planned near load centres that typically have higher costs associated with fuel supply and fuel transportation, and are more sensitive to fuel supply and price fluctuations as these power plants are typically not conveniently located near fuel sources and/or ports. These short-term power off-take agreements can provide for the delivery of power from several hours up to 11 months in duration. An example is our 260 MW power plant from which we sell part of the power on a short-term power off-take agreement basis. The short-term 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 approximately 61% of the power generated from our JSWEL SBU-I 260 MW operational power plant under short-term PPAs. During the six months ended September 30, 2009, 90.22% of the power generated from our 260 MW JSWEL SBU-I power plant was sold under short-term PPAs, while 47.47% of the power generated from our JSWEL SBU-II 600 MW power plant was sold under short-term PPAs during the same period. We also expect to sell part of the power generated by our Ratnagiri project and certain of our projects under implementation and development on a short term basis.

The table below sets forth the average price realisation for power sold on a short-term basis for the periods presented:

	Fiscal 2005*	**Fiscal 2006**	**Fiscal 2007**	**Fiscal 2008**	**Fiscal 2009**	**Six Months Ended September 30, 2008**	**Six Months Ended September 30, 2009**
	(Rs. Per Unit)						
Average Price Realisation	—	Rs. 2.82	Rs. 4.15	Rs. 5.25	Rs. 7.08	Rs. 6.78	Rs. 5.46

* No power was sold on a short-term basis

The table below sets forth the quantity of power sold on long-term and short-term basis for the periods presented:

	Fiscal 2005*	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Six Months Ended September 30, 2008	Six Months Ended September 30, 2009
	(in Million Units)						
Long-term	1,826.0	1,071.10	386.17	642.59	797.21	336.95	458.63
Short-term	0	833.11	1,526.82	1,424.60	1,258.72	668.36	1,272.77

We expect that the mix of power sold under long-term and short-term PPAs will vary as the market for power sold on a short-term basis develops and matures over a period of time. Our average price realization on sales of power on a short-term basis has been higher than on sales of power on a long-term basis during the six months ended September 30, 2009 and in the last four fiscal years.

- Hydroelectric: The primary advantage of the hydroelectric project is the perennial flow of water due to snowmelt and climatic conditions. However, we expect that the revenues from our hydroelectric project may be affected by an increase or decrease in water flows in the watersheds, as the amount of electricity generated by hydroelectric power systems is dependent upon available water flow. Water flow varies each year, depending on factors such as rainfall, snowfall and rate of snowmelt.

Two-part Tariff pricing

The most common method of pricing power sold on a long-term basis 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. Generally, the fixed component of the tariff typically comprises:

- O&M expenses;
- Depreciation;
- Interest on working capital;
- Interest on 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.

We have one project which is regulated under the RERC guidelines. The tariff under the PPA for supply of power from our 1,080 MW RWPL power plant is determined by the RERC under Section 62 of the Electricity Act, 2003 and the regulations thereunder, and is based on the capital cost, transfer price of lignite and cost of generation of power from the power plant. RWPL has submitted a tariff petition with the RERC to determine provisional tariffs for the first two units of the project based on alternate fuel sources using the tariff determination parameter based on the RERC Tariff Regulation 2009. See "Regulations and Policies" on page 133 of this Red Herring Prospectus.

Power trading business

Our power trading business involves sale of power purchased from external power plants, solely for the purpose of trading. We have been engaged in power trading activities since June 2006. According to the CERC website, we are one of the top six power trading companies in India, by volume, for the year ended March 31, 2009. CERC has granted us a "Category F" license, the highest licence category, to trade power in India. Under applicable law, power trading companies are permitted to make a profit of up to Rs. 0.04 per unit. The quantity of externally generated power we purchased and sold for the year ended March 31, 2009 was 813.49 million units. We did not purchase or sell any externally generated power during the six months ended September 30, 2009.

Sale of CERs

The Kyoto Protocol promotes the CDM, a programme that encourages sustainable development projects that reduce greenhouse gases in the earth's atmosphere by issuing tradable certificates called CERs. JSWEL has already generated and realised 3.97 million CERs for its dual fuel power plant at Toranagallu, Karnataka. We expect to be eligible for CER benefits for some of our projects, such as the 240 MW hydroelectric power plant at Kutehr and from use of super critical technology at our projects under development.

We derived revenue from the sale of CERs of Rs. 3,275.63 million during fiscal 2008. The CERs were received for our operations during Fiscal 2001 through Fiscal 2006. The income statement has been restated to allocate revenue from the sale of CERs to the respective years to which they relate.

Operation and maintenance services

We have a track record of development and management of power plants and power projects. We also render operation and maintenance services for JSWSL's two captive power plants with installed capacity of 230 MW under an operation and maintenance agreement. The terms of this agreement is for five years from April 1, 2006, subject to extension by mutual agreement. The present fee payable under these two agreements for fiscal 2010 is Rs. 77,990 per MW per month. The agreement provides for an increase in the fee at 4% annually. As a performance incentive, we are entitled to an incentive fee if the availability factor of the power plants exceeds 85%. The incentive fee is 25% of the percentage by which the actual availability factor exceeds 85% which is then applied to the operator fee.

Other Income

Our other income consists primarily of interest income on investments.

Expenditures

Operating expenditures

Expenditures for power plants consist of the fixed costs associated with operating the power project (primarily interest, depreciation, and operation and maintenance costs, taxes), and variable costs comprising of costs of primary fuel (mainly coal and lignite) and secondary fuel (mainly oil). Based on current estimates, once all power projects are completed, our three coal-fired projects will account for 63.83% (2,330 MW) of our total installed capacity (3,650 MW), our lignite-fired project will account for 29.59% (1,080 MW) of our total installed capacity and our hydro project will account for 6.58% (240 MW) of our total installed capacity. We will seek to achieve economies of scale in sourcing fuel as a result of the size of our project development portfolio and our affiliation with the JSW Group.

The choice of fuel for a power plant depends on the type of demand that the plant is expected to meet. Coal-based power plants have lower variable costs than other fuels such as natural gas. However, coal based power plants have high capital costs, which results in higher fixed costs. In addition, these plants cannot vary their output with any variation in demand. As a result, coal-based plants are largely used to meet base demand. This results in lower fixed costs per unit, mainly due to a higher PLF. Hydroelectric plants have low variable costs of generation, and are the most flexible in terms of output.

We intend to source coal and lignite for our projects through long-term coal supply arrangements, including with domestic suppliers such as our affiliate, JSWSL, with international and domestic suppliers or through access to captive coal mines. To date, we have entered into long-term fuel supply agreements for coal with JSWSL for our 260 MW operational project, with PT Sungai Belati Coal, Indonesia, for our Vijayanagar 600 MW power project, our Ratnagiri 1,200 MW power project and for our Rajasthan 270 MW project. We have also entered into a long-term fuel supply agreement for lignite with BLMCL for our Rajasthan 1,080 MW project. The terms and conditions of the coal supply agreement and the lignite supply agreement, including price, are negotiated on an arm's length basis and are competitive and consistent with prevailing market conditions. Until these arrangements are fully functional, we may need to make alternate arrangements to satisfy the fuel requirements of our projects. This may expose us to price, availability or quality risks. See "Risk Factors" for a description of risks relating to these arrangements. Our power plants generally rely on a small number of fuel suppliers with limited track records and who are located in Indonesia and Mozambique where enforcement of our rights under fuel supply agreements may be difficult. If fuel suppliers fail to perform their obligations, our financial condition and results of operation could be adversely affected.

The coal to be used by us, including the coal purchased from JSWSL, is imported coal. One of the primary reasons to use imported coal is that imported coal has a high calorific value and low ash content making it ideal for use in power plants. Distance from any coal mine and the comparative proximity of our power plants to ports also makes it easier and economical for us to import coal.

The following table sets forth the average fuel cost per unit for the period presented:

	Fiscal 2005	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Six Months Ended September 30, 2008	Six Months Ended September 30, 2009
Average Fuel cost per unit	Rs. 1.32	Rs. 1.34	Rs. 1.38	Rs. 1.51	Rs. 3.02	Rs. 3.02	Rs. 1.87

Once our hydroelectric project enters commercial operation, its 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.

We book depreciation in accordance with the Companies Act. The rates derived from these depreciation schedules may be, on average, higher than the depreciation rates provided by electricity regulatory commissions under tariff regulations, which set forth the amounts that we are allowed to recover under applicable tariffs on certain projects. This increase in non-cash depreciation charges may have an adverse impact on our future profits.

Demerger

Pursuant to the scheme of demerger of the investment division of the Company the: (a) assets of Rs. 3,278.21 million and liabilities of Rs. 20.00 million have been transferred to JSWEIPL at their book values and (b) Rs. 3,258.21 million being the excess of book value of assets transferred have been adjusted to the surplus in Profit and Loss Account, for the year ended March 31, 2008. For further details on the scheme of demerger, see "Scheme of Demerger" on page 146 of this Red Herring Prospectus.

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 the case of our long-term PPAs with MSEDCL and AEL, higher interest rates mean that the fixed cost increases which means that profitability under the tariff decreases as these PPAs do not provide for pass through of any increase in interest cost. 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 and fixed rates. The variable interest rates change when the underlying benchmark changes and the fixed interest rates have a provision for periodic resets. As of September 30, 2009, Rs. 18,861.51 million, or 24.57% of the total debt was subject to variable rates.

In view of the high debt to equity ratios of the project company subsidiaries, typically 3 to 1, an increase in interest expense at the project company level is likely to have a significant adverse effect on the project company's financial results and also increase the project costs and cost of capital to the Company.

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 260 MW JSWEL SBU-I power plant has been 93.44% since commercial operation began in 2000 through March 31, 2009. For the six months ended September 30, 2009, the average PLF for our 260 MW JSWEL SBU-I power plant was 99.79% and the average PLF for our 600 MW JSWEL SBU-II power plant, which became operational during the six months ended September 30, 2009, was 83.78%. A lower PLF means that we have less power available for sale. In the case of tariffs, if we do not achieve a specified PLF, typically ranging from 70-85%, the fixed charge is adjusted downwards for the shortfall in generation below the specified PLF and we may not be able to recover all of our fixed costs from a customer. We try to maintain a high PLF by following best practices when operating and maintaining our plants. Our hydroelectric power station which is a peaking facility is expected to have a lower PLF because of the lower utilization of these 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. Our power plants that are planned in close proximity to fuel sources typically have higher costs associated with power transmission and evacuation, as the fuel sources are usually located in remote areas that are not convenient to load centres. For these power plants, we aim to enter into long term power off-take agreements to ensure sustained cash flows and to provide a power transmission cost control measure.

Government policy and regulation towards infrastructure

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 by 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.

We have applied to the Ministry of Power, Government of India, for 'mega power' status for JSWERL's 1,200 MW power plant in Ratnagiri, Maharashtra. If this application is approved, we will be entitled to certain excise and custom duties exemptions. See "Industry Overview – Mega Power Projects" on page 72 of this Red Herring Prospectus for more details on benefits available to a 'mega power' project.

GoI's power sector policy may also determine the mix of power sold by us under long-term and short-term PPAs in the future. Our average price realization on sales of power on a short-term basis has been higher than on sales of power on a long-term basis in the last four fiscal years.

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 recent months, 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 recent 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. The deterioration in the financial markets is widely forecast to herald a recession in many countries, which may lead to significant declines in employment, household wealth, consumer demand and lending and as a result may adversely affect economic growth in India and elsewhere, which may in turn affect our business and results of operations.

Weak economic conditions in the markets, or a reduction in consumer spending even if economic conditions improve, could adversely impact the Company's business and results of operations in a number of ways, including increased costs. Furthermore, as a result of the current tightening of credit in financial markets, our suppliers may experience serious cash flow problems and as a result, may delay delivery of our orders and this may in turn delay completion of our projects. All of these factors may significantly affect our business and results of operations.

See "- Liquidity and Capital Resources" on page 329 and "Risk Factors – Risks Relating to our Industry – 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." on page xlvi of this Red Herring Prospectus.

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 IV B to our consolidated financial statements included on page 223 of this Red Herring Prospectus. 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 or that actual results reported in future periods will not differ from our expectations reflected in our accounting treatment of certain items.

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 from sale of power is recognised when substantial risks and rewards of ownership is transferred to the buyer under the terms of the contract.

Operator fees and other income is accounted on accrual basis as and when the right to receive arises.

Fixed assets

Fixed assets are recorded at cost which includes all direct and indirect expenses up to the date of acquisition, installation and / or commencement of commercial generation of power.

Expenditure incurred during construction period:

Apart from costs related directly to the construction of an asset, indirect expenses incurred up to the date of commencement of commercial production, which are incidental and related to construction, are capitalised as part of construction cost. Any income earned during the construction period is deducted from the indirect costs.

Depreciation

Depreciation is provided on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act.

Depreciation on impaired assets related to a cash generating unit is provided by adjusting the depreciation charge in the remaining periods so as to allocate the revised carrying amount of the asset over its remaining useful life.

The Company capitalises software where it is reasonably estimated that the software has an enduring useful life. Software is depreciated over an estimated useful life of 3 years.

Impairment of assets

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 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 revenue.

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 prevailing on the date of the closure.

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.

In translating the financial statements of subsidiary companies' non-integral foreign operations for incorporation in the consolidated financial statements, the assets and liabilities, both monetary and non monetary, are translated at the closing rate, the income and expense items of the subsidiary company are translated at exchange rates at the dates of the transactions and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

The exchange differences are adjusted to carrying cost of the fixed assets if they relate to such fixed assets and to profit and loss account in other cases.

Taxation

Income tax expenses comprise current tax, fringe benefit tax and deferred tax charges or credit (reflecting the tax effects of timing differences between accounting income and taxable income of the year). According to the fiscal 2010 budget proposal, fringe benefit tax was removed effective from April 1, 2009. However, the budget proposal has not yet been enacted.

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.

Tax credit is recognised in respect of Minimum Alternate Tax (MAT) paid in terms of Section 115JAA of the I.T. Act, 1961 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.

Provisions and contingent liabilities

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- there is a present obligation as a result of a past event;
- a probable outflow of resources is expected to settle the obligation; and
- the amount of the obligation can be reliably estimated.

Where some or all the expenditure required to settle a provision is expected to be reimbursed by another party, such reimbursement is recognised to the extent of provision or contingent liability as the case may be, only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of:

- a present obligation arising from a past event, when it is not probable that a outflow of resources will be required to settle the obligation; and
- a possible obligation, unless the probability of outflow of resources is remote.

Results of Operations

	Six Months Ended September 30,			
	2009		**2008**	
	Amount	**Percentage of Total Income**	**Amount**	**Percentage of Total Income**
	(Rs. in million)	**(%)**	**(Rs. in million)**	**(%)**
INCOME				
Income from Operations:				
Sale of Power Generated	8,546.94	97.64	6,021.59	76.50
Power Traded	-	0.00	1,688.16	21.45
Sale of CER's (1)	-	0.00	-	0.00
Operator Fee	88.91	1.02	85.50	1.09
Total Income from Operation	**8,635.85**		**7,795.25**	
Other Income	117.65	1.34	75.64	0.96
Total Income	**8,753.50**	**100.00**	**7,870.89**	**100.00**
EXPENDITURE				
Purchase of Power	-	0.00	1,676.72	21.30
Cost of Fuel	3,244.22	37.06	3,040.90	38.63
Employees cost	125.76	1.44	112.77	1.43
Operation, Maintenance and Other expenses	345.10	3.94	398.12	5.06
Total Operating Expenses	**3,715.08**	**42.44**	**5,228.51**	**66.42**
Profit Before Interest, Depreciation, Tax and Amortisation (PBIDTA)	5,038.42	57.76	2,642.38	33.57
Interest and Finance Charges	1,095.47	12.51	514.97	6.54
Depreciation	467.36	5.34	299.58	3.81
Preliminary and Share Issue expenses written off	**11.18**	0.13		
Profit before Tax	**3,464.41**	**39.58**	**1,827.83**	**23.22**
Provision for				
- Current Income Tax (including FBT)	649.12	7.42	420.65	5.34

	Six Months Ended September 30,			
	2009		2008	
	Amount	Percentage of Total Income	Amount	Percentage of Total Income
	(Rs. in million)	(%)	(Rs. in million)	(%)
-Tax related to previous years	-	0.00	-	0.00
- Deferred Tax	139.50	1.59	63.22	0.80
Profit After Tax (A)	**2,675.79**	**30.57**	**1,343.96**	**17.08**
Adjustments:				
Reinstatement to relevant periods				
Sale of CER's [1]	-	0.00	-	0.00
Preliminary and Share Issue expenses written off	10.59	0.12	-	0.00
Provision for Phased Overhauling Expenses	-	0.00	-	0.00
Exchange gain	-	0.00	-	0.00
Finance Charges	50.53	0.58	-	0.00
Other Income	(40.56)	(0.46)	18.12	0.23
Total Adjustments	**20.56**	**0.24**	**18.12**	**0.23**
Tax impact on above adjustments	(1.69)	(0.02)	(3.08)	(0.04)
Tax impact – others	-	0.00	-	0.00
Total Tax adjustments	**(1.69)**	**(0.02)**	**(3.08)**	**(0.04)**
Total Adjustments after tax impact	18.87	0.22	15.04	0.19
Net Profit before Minority Income, as Restated	**2,694.65**	**30.78**	**1,359.00**	**17.27**
Less: Minority interest	-	0.00	-	0.00
Net Profit after Minority Income as restated	**2,694.65**	**30.78**	**1,359.00**	**17.27**

	Fiscal 2009		Fiscal 2008		Fiscal 2007	
	Amount	Percentage of Total Income	Amount	Percentage of Total Income	Amount	Percentage of Total Income
	(Rs. in million)	(%)	(Rs. in million)	(%)	(Rs. in million)	(%)
INCOME						
Income from Operations:						
Sale of Power Generated	12,393.68	66.91	9,313.15	70.23	7,339.87	90.44
Power Traded	5,777.83	31.20	172.12	1.30	298.70	3.68
Sale of CER's (1)	-	0.00	3,275.63	24.70	-	0.00
Operator Fee	178.70	0.96	170.50	1.29	130.70	1.61
Other Income	171.40	0.93	329.34	2.48	346.21	4.27
Total	**18,521.61**	**100.00**	**13,260.74**	**100.00**	**8,115.48**	**100.00**
EXPENDITURE						
Purchase of Power	5,744.42	31.01	166.72	1.26	296.31	3.65
Cost of Fuel	6,202.40	33.49	3,121.60	23.54	2,647.72	32.63
Employees cost	270.55	1.46	154.88	1.17	87.81	1.08
Operation, Maintenance and Other expenses	814.32	4.40	723.39	5.46	460.41	5.67
Total Operating Expenses	13,031.69	70.36	4,166.59	31.42	3,492.25	43.03
Profit Before Interest, Depreciation, Tax and Amortisation (PBIDTA)	5,489.92	29.64	9,094.15	68.58	4,623.23	56.97
Interest and Finance Charges	1,209.43	6.53	885.54	6.68	629.79	7.76
Depreciation	602.08	3.25	586.03	4.42	583.05	7.18
Preliminary and Share Issue expenses Written Off	-	0.00	0.18	0.00		

	Fiscal 2009		Fiscal 2008		Fiscal 2007	
	Amount	**Percentage of Total Income**	**Amount**	**Percentage of Total Income**	**Amount**	**Percentage of Total Income**
	(Rs. in million)	**(%)**	**(Rs. in million)**	**(%)**	**(Rs. in million)**	**(%)**
Profit before Tax	3,678.41	19.86	7,622.40	57.48	3,410.39	42.02
Provision for						
- Current Income Tax (including FBT)	782.01	4.22	1,125.72	8.49	389.59	4.80
-Tax related to previous years	-	-	118.22	0.89	-	-
- Deferred Tax	129.48	0.70	125.73	0.95	116.30	1.43
Profit After Tax	2,766.92	14.94	6,252.73	47.15	2,904.50	35.79
Adjustments:						
Reinstatement to relevant periods						
Sale of Carbon Emission Reductions (CER's) (1)	-	-	(3,275.63)	(24.70)	-	-
Preliminary and Share Issue expenses written off	(10.59)	(0.06)	-	-	(77.48)	(0.95)
Provision for Phased Overhauling Expenses	-	-	(147.30)	(1.11)	(51.20)	(0.63)
Exchange gain	-		(80.02)	(0.60)	-	-
Finance Charges	-	-	-	-	(50.53)	(0.62)
Other Income	40.56	0.22	-	-	-	-
Total Adjustments	29.97	0.16	(3,502.95)	(26.42)	(179.21)	(2.20)
Tax impact on above adjustments	(6.89)	(0.04)	393.74	2.97	8.59	0.10
Tax impact – others	-	-	94.23	0.71	(13.04)	(0.16)
Tax impact of adjustments	(6.89)	(0.04)	487.97	3.68	(4.45)	(0.06)
Adjustments Net of Tax	23.08	0.12	(3,014.98)	(22.74)	(183.66)	(2.26)
Net Profit before Minority Income, as Restated	2,790.00	15.06	3,237.75	24.42	2,720.84	33.53
Minority interest	0.00	0.00	0.00	0.00	0.02	0.00
Net Profit after Minority Income, as Restated	2.790.00	15.06	3,237.75	24.42	2,720.82	33.53

Note:

(1) We derived revenue from the sale of CER's of Rs. 3,275.63 million during fiscal 2008. The CERs were received for our operations during fiscal 2001 through 2006. Accordingly, the income statement has been restated to allocate revenue from the sale of CERs to the respective years to which they relate.

(2) An expense of Rs. 50.53 million relating to fiscal 2007 was written off during the six months ended September 30, 2009. The income statement has been restated to allocate the expense to fiscal 2007.

(3) We received service income of Rs 40.56 million during the six months ended September 30, 2009 for services which were partly provided in fiscal 2009. The income statement has been restated to allocate this service income to fiscal 2009.

Comparison of the six months ended September 30, 2009 and the six months ended September 30, 2008

Income

Our total income increased by 11.21% to Rs. 8,753.50 million in the six months ended September 30, 2009 from Rs. 7,870.89 million in the six months ended September 30, 2008. The reason for the increase is summarized below:

Income from operations

The breakup of income from operations is set forth below:

Nature of Income	Six Months Ended September 30,		Variation
	2009	2008	%
	(Rs. in million)		
Sale of Power Generated	8,546.94	6,021.59	41.94
Power Traded	Nil	1,688.16	-100.00
Operator Fees	88.91	85.50	3.99
Total	8,635.85	7,795.25	10.78

The reasons for the variations are as follows:

(a) Income from sale of power generated increased by 41.94%. During the six months ended September 30, 2009 net generation increased by 72.23%, or an addition of 726.09 million units as compared to the six months ended September 30, 2008 due to the commencement of commercial operation of both the 300 MW units of JSWEL SBU-II's 600 MW power plant on July 1, 2009 and September 1, 2009, respectively and a higher PLF in JSWEL SBU-1's 260 MW power plant. The average realization from sale of power, which is our revenue from our operational power plants divided by the units of power sold dropped to Rs.4.94 per unit in the six months ended September 30, 2009 from Rs. 5.99 per unit in the six months ended September 30, 2008 primarily due to a decrease in realization on sales of power on a short-term basis.

(b) As a result of the significant increase in the quantum of power generated to be sold on a short term basis, during the six months ended September 30, 2009 our focus was on the sale of power generated by our operational 260 MW JSWEL SBU-I power plant and our 600 MW JSWEL SBU-II power plant, in order to achieve a high PLF and not on the purchase and sale of externally traded power. Accordingly, we did not purchase or sell any externally traded power in the six months ended September 30, 2009.

(c) The increase in operator fees reflect the annual increase in operator fees provided for under the operation and maintenance agreement executed with JSWSL.

Other Income

Other income increased by 55.54% to Rs. 117.65 million in the six months ended September 30, 2009 from Rs. 75.64 million in the six months ended September 30, 2008, primarily due to income from services rendered to Toshiba JSW Steam Turbine Generators Pvt. Ltd in relation to Toshiba JSW's project near Chennai in Tamil Nadu.

Expenditure

The total expenditure decreased by 12.48% to Rs. 5,289.09 million in the six months ended September 30, 2009 from Rs. 6,043.06 million in the six months ended September 30, 2008. The reasons for the decrease are summarized below:

Purchase of Power

Purchase of power for trading decreased to Rs. Nil million in the six months ended September 30, 2009 from Rs. 1,676.72 million in the six months ended September 30, 2008 primarily as our focus was on the sale of power generated by our operational 260 MW JSWEL SBU-I power plant and our 600 MW JSWEL SBU-II power plant, and not on the purchase and sale of externally traded power. Accordingly, no purchase of power for trading was made in the six months ended September 30, 2009.

Cost of Fuel

The cost of fuel increased by 6.69% to Rs. 3,244.22 million in the six months ended September 30, 2009 from Rs. 3,040.90 million in the six months ended September 30, 2008 primarily because of higher fuel consumption due to a significant increase in net generation in the six months ended September 30, 2009 despite a decrease in the price of coal. The price of coal decreased significantly during the six months ended September 30, 2009 as compared to the six months ended September 30, 2008, primarily due to the global economic downturn. The average price of coal consumed decreased to approximately Rs. 5,101.19 per metric ton in the six months ended September 30, 2009 from approximately Rs. 7,617.71 per metric ton in the six months ended September 30, 2008, a decrease of 33.04%. Our fuel cost per unit decreased to Rs. 1.87 per unit in the six months ended September 30, 2009 from Rs. 3.02 per unit in the six months ended September 30, 2008.

As a percentage of total income, the cost of fuel decreased marginally to 37.06% in the six months ended September 30, 2009 from 38.63% in the six months ended September 30, 2008.

Employees Cost and Operation, Maintenance and Other Expenses

The employees costs and operation, maintenance and other expenses decreased by 7.84% to Rs. 470.86 million in the six months ended September 30, 2009 from Rs. 510.89 million in the six months ended September 30, 2008, due to an annual increase in salaries. The other expenses decreased mainly due to lower repairs and maintenance costs as a major overhaul of the JSWEL SBU-I 260 MW power plant was undertaken in the six months ended September 30, 2008, as well as a decrease in administration, legal and travel expenses in the six months ended September 30, 2009. As a percentage of total income, the employees cost and operation, maintenance and other expenses decreased to 5.38% in the six months ended September 30, 2009 from 6.49% in the six months ended September 30, 2008.

Interest and Finance charges

The interest and finance charges increased by 112.73% to Rs. 1,095.47 million in the six months ended September 30, 2009 from Rs. 514.97 million in the six months ended September 30, 2008, primarily due to interest cost on borrowings relating to our JSWEL SBU-II 600 MW power plant being charged to our profit and loss account, as a result of the commencement of operations of this power plant. The average rate of interest on our borrowings decreased to 11.12% in the six months ended September 30, 2009 from 12.28% in the six months ended September 30, 2008.

As a percentage of total income, the interest and finance charges increased to 12.51% in the six months ended September 30, 2009 from 6.54% in the six months ended September 30, 2008.

Depreciation and Preliminary and Share issue expenses written off

Depreciation and preliminary and share issue expenses written off increased by 59.74% to Rs. 478.54 million in the six months ended September 30, 2009 from Rs. 299.58 million in the six months ended September 30, 2008. This was primarily due to an increase in depreciation on account of capitalization of assets relating to the commencement of commercial operations of our 600 MW JSWEL SBU-II power plant. Depreciation and preliminary and share issue expenses written off as a percentage of total income increased to 5.47% in the six months ended September 30, 2009 from 3.81% in the six months ended September 30, 2008.

Profit before Tax

As a result of the foregoing, profit before taxation increased by 89.54% to Rs. 3,464.41 million in the six months ended September 30, 2009 from Rs. 1,827.83 million in the six months ended September 30, 2008.

Provision for Tax

The provision for tax liabilities increased by 62.98% to Rs. 788.62 million in the six months ended September 30, 2009 from Rs. 483.87 million in the six months ended September 30, 2008. The primary components of this increase were current income tax and deferred tax. The increase was primarily due to increase in profits before tax.

Profit after Tax

As a result of the foregoing, and primarily due to an increase in net generation, the net profit after tax increased by 99.10% to Rs 2,675.79 million in the six months ended September 30, 2009 from Rs 1,343.96 million in the six months ended September 30, 2008. As a percentage of total income, net profit after tax increased to 30.57% in the six months ended September 30, 2009 from 17.08% in the six months ended September 30, 2008.

Comparison of fiscal 2009 and fiscal 2008

Income

Our total income increased by 39.67% to Rs. 18,521.61 million in fiscal 2009 from Rs. 13,260.74 million in fiscal 2008. The reason for the increase is summarized below:

Income from operations

The breakup of income from operations is set forth below:

Nature of Income	Fiscal		Variation
	2009	2008	%
	(Rs. in million)		
Sale of Power Generated	12,393.68	9,313.15	33.08%
Power Traded	5,777.83	172.12	3,356.86%
Sale of CER's	Nil	3,275.63	-100%
Operator Fees	178.70	170.50	4.81%
Total	18,350.21	12,931.40	41.90%

The reasons for the variations are as follows:

(a) Income from the sale of power generated increased by 33.08%. The PLF increased to 97.88% for fiscal 2009 from 97.67% for fiscal 2008. While net generation declined marginally by 0.55% to 2,055.93 Million Units (MU's) in fiscal 2009 from 2,067.19 MU's in fiscal 2008 due to an increase in auxiliary consumption, there was an increase of 33.70% in the average price realisation (our revenue from the power generation business divided by the units of power sold) to Rs. 6.03 per unit in fiscal 2009 from Rs. 4.51 per unit in fiscal 2008 primarily due to improved realisation on sales of power on a short-term basis which contributed to the increase in income.

(b) Income from the sale of power traded increased significantly to Rs. 5,777.83 million in fiscal 2009 from Rs. 172.12 million in fiscal 2008 due to expansion in the trading activities of JSWPTC through an increase in the volume of external power traded and consequently JSWPTC's customer base.

(c) We earned CERs for our operations during Fiscal 2001 through Fiscal 2006. Revenue from sale of CERs was realized for the first time in Fiscal 2008 following the receipt of approval by the United Nations Framework Convention on Climate Change ("UNFCCC"), the approving body for CERs. The income statement has been restated to allocate revenue from the sale of CERs to the respective years to which they relate. We did not earn any income from the sale of CERs in fiscal 2009.

(d) Income from operator fees increased by 4.81% to Rs. 178.70 million in fiscal 2009 from Rs. 170.50 million in fiscal 2008. The operator fees are from the operation and maintenance and associated incentive fees of the 230 MW captive power plant of JSWSL.

Other Income

Other income decreased by 47.96% to Rs. 171.40 million in fiscal 2009 from Rs. 329.34 million in fiscal 2008. A significant part of this decline was due to extraordinary income realised from the write-back in fiscal 2008 of the provisions for major over-hauling expenses which were provided for in previous years. The provision written back has been accounted for as other income. The income statement has been restated to allocate the income from the write-back in fiscal 2008 to the respective years in which the provision was made.

Expenditure

The total expenditure increased by 163.25% to Rs. 14,843.20 million in fiscal 2009 from Rs. 5,638.34 million in fiscal 2008. The reasons for the increase are summarized below:

Purchase of Power

Purchase of power for trading increased to Rs. 5,744.42 million in fiscal 2009 from Rs. 166.72 million in fiscal 2008 primarily because of an increase in purchases of power by JSWPTC in connection with an increase in the volume of its power trading activities. As a percentage of total income, the purchase of power for trading increased to 31.01% in fiscal 2009 from 1.26% in fiscal 2008.

Cost of Fuel

The cost of fuel increased by 98.69% to Rs. 6,202.40 million in fiscal 2009 from Rs. 3,121.60 million in fiscal 2008 despite a marginal decrease in net generation in fiscal 2009. Globally, the price of coal increased significantly. The average price of coal procured from JSWSL increased significantly to around Rs. 7,200 per metric ton in fiscal 2009 from around Rs. 3,700 per metric ton in fiscal 2008, an increase of 94.5%. Our fuel cost per unit increased to Rs. 3.02 per unit from Rs. 1.51 per unit.

As a percentage of total income, the cost of fuel increased to 33.49% in fiscal 2009 from 23.54% in fiscal 2008.

Employees Cost and Operation, Maintenance and Other Expenses

The employees costs and operation, maintenance and other expenses increased by 23.52% to Rs. 1,084.87 million in fiscal 2009 from Rs. 878.27 million in fiscal 2008, primarily due to an increase in the number of employees commensurate with the increase in business, increase in power trading capabilities and an annual increase in salaries. The other expenses increased mainly due to an increase in the rebate paid to customers in connection with their timely payment of dues for energy supplied to them by JSWPTC. As a percentage of total income, the employees cost and operation, maintenance and other expenses decreased to 5.86% in fiscal 2009 from 6.62% in fiscal 2008.

Interest and Finance charges

The interest and finance charges increased by 36.58% to Rs. 1,209.43 million in fiscal 2009 from Rs. 885.54 million in fiscal 2008, primarily due to interest cost on additional term loan borrowings of Rs. 4,000 million in fiscal 2009. The average rate of interest on our borrowings increased to 12.61% in fiscal 2009 from 12.02% in fiscal 2008.

As a percentage of total income, the interest and finance charges decreased to 6.53% in fiscal 2009 from 6.68% in fiscal 2008.

Depreciation

Depreciation increased by 2.74% to Rs. 602.08 million in fiscal 2009 from Rs. 586.03 million in fiscal 2008. The increase in depreciation was due to capitalization of certain assets acquired during the year in the ordinary course of business. Depreciation as a percentage of total income decreased to 3.25% in fiscal 2009 from 4.42% in fiscal 2008.

Profit before Tax

As a result of the foregoing, profit before taxation decreased by 51.74% to Rs. 3,678.41 million in fiscal 2009 from Rs. 7,622.40 million in fiscal 2008.

Provision for Tax

The provision for tax liabilities decreased by 33.45% to Rs. 911.49 million in fiscal 2009 from Rs. 1,369.67 million in fiscal 2008. The primary components of this decrease were current income tax and deferred tax. In fiscal 2008, the tax authority disallowed the (i) provision for major over-hauling expenses that we had made in previous fiscal years, on the basis that it was merely a provision and no such expenses had actually been incurred by the Company and (ii) the deduction of deferred tax for computation of Minimum Alternative Tax for previous fiscal years due to retrospective amendment in tax law. This resulted in a higher tax liability in fiscal 2008.

Profit after Tax

As a result of the foregoing, and primarily due to extraordinary income from the sale of CERs in fiscal 2008 but no such income in fiscal 2009, increased fuel and interest costs in fiscal 2009, offset by increased realization due to higher margins on sales of power on short-term basis, the net profit after tax decreased by 55.75% to Rs 2,766.92 million in fiscal 2009 from Rs 6,252.73 million in fiscal 2008. As a percentage of total income, net profit after tax decreased to 14.94% in fiscal 2009 from 47.15% in fiscal 2008.

Comparison of fiscal 2008 and fiscal 2007

Income

Our total income increased by 63.40% to Rs. 13,260.74 million in fiscal 2008 from Rs. 8,115.48 million in fiscal 2007. 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		Variation
	2008	2007	%
	(Rs. in million)		
Sale of Power Generated	9,313.15	7,339.87	26.88%
Power Traded	172.12	298.70	-42.38%
Sale of CER's	3,275.63	-	-
Operator Fees	170.50	130.70	30.45%
Total	**12,931.40**	**7,769.27**	**66.44%**

The reasons for the variations are as follows:

(a) Income from the sale of power generated increased by 26.88%. The PLF and net generation increased to 97.67% and 2,067.19 Million Units (MUs), respectively, for fiscal 2008 from 90.54% and 1,912.99 MUs, respectively, for fiscal 2007 due to improved operational efficiency. There was also an increase in the average price realisation (our revenue from the power generation business divided by the units of power sold) of 17.44% to Rs. 4.51 per unit in fiscal 2008 from Rs. 3.84 per unit in fiscal 2007, primarily due to an increase in tariffs.

(b) We commenced the power trading operations in fiscal 2007. Income from the sale of power traded decreased by 42.38% to Rs. 172.12 million in fiscal 2008 from Rs. 298.70 million in fiscal 2007 primarily because our focus in fiscal 2008 was to sell more power generated by us than external power.

(c) We earned CERs for our operations during fiscal 2001 through fiscal 2006. Revenue from the sale of CERs was realised for the first time in fiscal 2008 following the receipt of approval from the UNFCCC, the approving body for CERs. The income statement has been restated to allocate revenue from the sale of CERs to the respective years to which they relate. We did not earn any income from the sale of CERs in fiscal 2007.

(d) Income from operator fees increased by 30.45% to Rs. 170.50 million in fiscal 2008 from Rs. 130.70 million in fiscal 2007 due to operator fees received for the operation and maintenance of the 130 MW unit of JSWSL's 230 MW power plant for the full year in fiscal 2008 as compared to only a portion of the year in fiscal 2007 since the 130 MW unit commenced operations during fiscal 2007.

Other Income

Other income decreased by 4.87% to Rs. 329.34 million in fiscal 2008 from Rs. 346.21 million in fiscal 2007 primarily due to significantly higher dividend income received in fiscal 2007.

Expenditure

The total expenditure increased by 19.83% to Rs. 5,638.34 million in fiscal 2008 from Rs. 4,705.09 million in fiscal 2007. The reasons for the increase are summarized below:

Purchase of Power

Purchase of power for trading decreased to Rs. 166.72 million in fiscal 2008 from Rs. 296.31 million in fiscal 2007 primarily because our focus in fiscal 2008 was to sell more power generated by us than external power. As a percentage of total income, the purchase of power for trading decreased to 1.26% in fiscal 2008 from 3.65% in fiscal 2007.

Cost of Fuel

The cost of fuel increased by 17.90% to Rs. 3,121.60 million in fiscal 2008 from Rs. 2,647.72 million in fiscal 2007 due to more fuel consumed commensurate with the increase in net generation to 2,067.19 Million Units (MUs) in fiscal 2008 from 1,912.99 MUs in fiscal 2007, and also due to an increase in the fuel cost per unit to Rs. 1.51 per unit from Rs. 1.38 per unit.

As a percentage of total income, the cost of fuel decreased to 23.54% in fiscal 2008 from 32.63% in fiscal 2007.

Employees Cost and Operation, Maintenance and Other Expenses

The employees costs and operation, maintenance and other expenses increased by 60.20% to Rs. 878.27 million in fiscal 2008 from Rs. 548.22 million in fiscal 2007, primarily due to an increase in employees cost due to an increase in the number of employees commensurate with the increase in business and an annual increase in salaries. As a percentage of the total income, the operation, maintenance and other expenses (including employees cost) decreased to 6.62% in fiscal 2008 compared to 6.76% in fiscal 2007.

Interest and Finance charges

The interest and finance charges increased by 40.61% to Rs. 885.54 million in fiscal 2008 from Rs. 629.79 million in fiscal 2007, primarily due to interest cost on existing borrowings and additional borrowings of Rs. 4,200 million in fiscal 2008.

As a percentage of total income, the interest and finance charges decreased to 6.68% in fiscal 2008 from 7.76% in fiscal 2007.

Depreciation

Depreciation increased marginally by 0.51% to Rs. 586.03 million in fiscal 2008 from Rs. 583.05 million in fiscal 2007.

Profit before Tax

As a result of the foregoing, profit before taxation increased by 123.51% to Rs. 7,622.40 million in fiscal 2008 from Rs. 3,410.39 million in fiscal 2007.

Provision for Tax

The provision for tax liabilities increased by 170.74% to Rs. 1,369.67 million in fiscal 2008 from Rs. 505.89 million in fiscal 2007. The primary components of this increase were current income tax and deferred tax. The increase in provision for taxation was primarily due to an increase in the total income in fiscal 2008. In fiscal 2008, the tax authority disallowed the (i) provision for major over-hauling expenses that we had made for previous fiscal years on the basis that it was merely a provision and no such expenses had actually been incurred by the Company and (ii) the deduction of deferred tax for computation of Minimum Alternative Tax for previous fiscal years due to retrospective amendment in tax law. This resulted in a higher tax liability in fiscal 2008.

Profit after Tax

As a result of the foregoing, the net profit after tax increased by 115.28% to Rs. 6,252.73 million in fiscal 2008 from Rs. 2,904.50 million in fiscal 2007 due to an overall increase in our revenue primarily due to income earned from the sale of CERs and an increase in average price realisation which were offset by an increase in interest costs in fiscal 2008. As a percentage of total income, net profit after tax increased to 47.15% in fiscal 2008 from 35.79% in fiscal 2007.

Effect of Restatement

The Company's restated consolidated financial information for the six months ended September 30, 2009 and 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 the Company's consolidated financial statements included in this Red Herring Prospectus have been restated to conform to methods used in preparing the Company's latest financial statements, as well as to conform to any changes in accounting policies and estimates. The principal adjustments to the Company's consolidated financial statements, including on account of changes in accounting policies and estimates, are described below:

SUMMARY STATEMENT OF ADJUSTMENTS

	For six months ended		For Fiscal				
	September 30, 2009	September 30, 2008	2009	2008	2007	2006	2005
Profit as per Audited Financials (A)	**2,675.79**	**1,343.96**	2,766.92	6,252.73	2,904.50	1,188.83	602.52
Adjustments:							
Reinstatement to relevant periods[1]	**20.56**	**18.12**	**29.97**	(3,502.95)	**(179.21)**	162.75	1,189.17
Tax Impact of adjustments	**(1.69)**	**(3.08)**	**(6.89)**	487.97	**(4.45)**	(27.95)	(133.87)
Total Adjustments net of tax impact (B)	**18.87**	**15.04**	**23.08**	(3,014.98)	**(183.66)**	134.80	1,055.30
Net Profit before minority interest, as restated (A+B)	**2,694.65**	**1,359.00**	**2,790.00**	3,237.75	**2,720.84**	1,323.63	1657.82

Adjustments on account of material adjustments

Adjustments represent expenses and income restated to the respective years to which they relate irrespective of the year in which the event triggering the profit or loss occurred.

i. We derived revenue from the sale of CERs of Rs. 3,275.63 million during fiscal 2008. The CERs were received for our operations during fiscal 2001 through fiscal 2006. Accordingly, the income statement has been restated to allocate revenue from the sale of CERs to the respective years to which they relate.

ii. Preliminary and share issue expenses incurred for our subsidiaries and accounted under preoperative expenses in fiscal 2008 have now been charged to the respective year in which they were incurred.

iii. Provision for major overhauling expenses of Rs. 147.30 million was written back in fiscal 2008 and of Rs. 51.20 million in fiscal 2007. The income statement has been restated to allocate revenue from the write-back of this provision to the respective years to which they relate.

iv. Income tax of earlier years paid during fiscal 2008 (due to disallowance of deferred tax liability and provision for major over-hauling expenses) has been restated and provided in the respective years to which they relate.

v. Adjustment relating to exchange gain (due to recent amendment to Accounting Standard (AS) 11 "Effects of Changes in Foreign Exchange Rates") relating to fiscal 2008.

vi. We received service income of Rs 40.56 million during the six months ended September 30, 2009 for services which were partly provided in fiscal 2009. The income statement has been restated to allocate this service income to fiscal 2009.

vii. An expense of Rs. 50.53 million relating to fiscal 2007 was written off during the six months ended September 30, 2009. The income statement has been restated to allocate the expense to fiscal 2007.

Tax impact on adjustments

Current tax impact of above mentioned adjustments on restatement has been provided at the appropriate tax rate applicable.

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 the Company's audited consolidated cash flows for the periods presented:

	Six Months Ended September 30, 2009	Six Months Ended September 30, 2008	Fiscal 2009	Fiscal 2008	Fiscal 2007
	(Rs. in million)				
Net cash provided by/(used in) operating activities	2,996.21	2,844.54	4,683.16	7,881.36	4,544.59
Net cash provided by/(used in) investing activities	(19,545.58)	(18,668.85)	(40,459.94)	(22,380.25)	(3,027.35)
Net cash provided by/(used in) financing activities	16,388.13	14,126.07	34,618.40	14,673.05	579.48
Net increase/(decrease) in cash and cash equivalents	(161.24)	(1,698.24)	(1,158.38)	174.16	2,096.72
Closing Cash and Bank Balances (including margin money)	1,589.63	1,211.01	1,750.98	2,949.40	2,745.09

Cash Flows from Operating Activities

The net cash from operating activities in the six months ended September 30, 2009 was Rs. 2,996.21 million, primarily due to cash generated from operations before working capital changes of Rs. 4,964.75 million, an increase in trade and other payables of Rs. 3,008.76 million, offset by an increase in trade and other receivable of Rs.2,064.95 million, an increase in loans and advances Rs.1,289.89 million, an increase in inventories Rs.1,045.78 million and tax paid of Rs. 576.68 million. Our revenues increased due to the commencement of commercial operations of both units of JSWEL SBU-II's 600 MW power plant during the six months ended September 30, 2009. The net cash from operating activities in the six months ended September 30, 2008 was Rs. 2,844.53 million, primarily due to cash generated from operations before working capital changes of Rs. 2,628.41 million, increase in trade and other payables Rs. 1,310.36 million, offset by an increase in trade and other receivable of Rs.554.53 million, an increase in loans and advances Rs.108.36 million, an increase in inventories Rs.37.16 million and tax paid of Rs. 394.18 million. Our revenues were primarily derived from the operation of JSWEL SBU-I's 260 MW power plant during the six months ended September 30, 2008.

The net cash from operating activities in the fiscal year ended March 31, 2009 was Rs. 4,683.16 million, primarily due to cash generated from operations before working capital changes of Rs. 5,518.17 million, increase in trade and other payables of Rs. 1,095.86 million, offset by an increase in trade and other receivables of Rs. 716.43 million, an increase in loans and advances Rs. 437.01 million, an increase in inventories of Rs. 22.20 million and tax paid of Rs. 755.23 million. We had no income from sale of CERs in fiscal 2009.

The net cash from operating activities in the year ended March 31, 2008 was Rs. 7,881.36 million, primarily due to cash generated from operations before working capital changes of Rs. 5,509.11 million, an increase in trade and other payables of Rs. 283.54 million, a decrease in trade and other receivables of Rs. 3,495.03 million, offset by an increase in loans and advances by Rs. 90.92 million, an increase in inventories of Rs. 69.30 million and tax paid of Rs. 1,246.10 million. We derived extraordinary income of Rs. 3,275.63 million from the sale of CERs in fiscal 2008.

The net cash from operating activities in the year ended March 31, 2007 was Rs. 4,544.59 million, primarily due to cash generated from operations before working capital changes of Rs. 4,150.01 million, an increase in trade and other payables of Rs. 710.59 million, a decrease in trade and other receivables of Rs. 332.58 million, offset by tax paid of Rs. 397.64 million, an increase in loans and advances of Rs. 234.25 million and an increase in inventories of Rs. 16.70 million. We had no income from sale of CERs in fiscal 2007.

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 purchase of investments, offset in each fiscal year by minor disposal of fixed assets, sales of investments, dividends received and interest received.Net cash used in investment activities was Rs. 19,545.58 million during the six months ended September 30, 2009 primarily due to expenditure incurred on projects under construction and implementation and our investment in mining and equipment manufacture joint ventures. Net cash used in investment activities was Rs. 18,668.85 million during the six months ended September 30, 2008 primarily due to expenditure incurred on projects under construction and implementation.

Net cash used in investment activities was Rs. 40,459.94 million during the year ended March 31, 2009 primarily due to expenditure incurred on projects under construction and implementation and our investment in mining and equipment manufacture joint ventures.

Net cash used in investment activities was Rs. 22,380.25 million during the year ended March 31, 2008 mainly due to expenditure for expenditure incurred on projects under construction and implementation.

Net cash used in investment activities was Rs. 3,027.35million during the year ended March 31, 2007 primarily due to expenditure incurred on projects being set up at Karnataka.

Cash Flows from Financing Activities

The Company's cash flow from or used in its financing activities is determined primarily by the level of its borrowings, the schedule of principal and interest payments on borrowings, and payment of dividends.

For the six months ended September 30, 2009 the Company's cash flow from financing activities increased to Rs. 16,388.13 million as compared to Rs. 14,126.07 million in the six months ended September 30, 2008 primarily due to an increase in borrowings. In the six months ended September 30, 2009 the Company had total outstanding secured and unsecured loans of Rs. 76,762.63 million compared to Rs. 38,281.14 million in the six months ended September 30, 2008. The increase in secured and unsecured loans was on account of additional borrowings during fiscal 2009 primarily for our projects under development.

For the fiscal year ended March 31, 2009, the Company's cash flow from financing activities increased to Rs. 34,618.40 million as compared to Rs. 14,673.05 million in fiscal 2008 primarily due to an increase in borrowings. As of March 31, 2009, the Company had total outstanding secured and unsecured loans of Rs. 59,271.63 million compared to Rs. 22,726.68 million as of March 31, 2008. The increase in secured and unsecured loans was on account of additional borrowings during fiscal 2009 primarily for new projects being setup.

For the fiscal year ended March 31, 2008 the Company's cash flow from financing activities increased to Rs. 14,673.05 million as compared to Rs. 579.48 million in fiscal 2007, primarily due to an increase in borrowings. As of March 31, 2008, the Company had total outstanding secured and unsecured loans of Rs. 22,726.68 million compared to Rs. 7,070.88 million as of March 31, 2007. The increase in secured and unsecured loans was on account of additional borrowings during fiscal 2008 primarily for new projects being set up.

For the fiscal year ended March 31, 2007, the Company's cash flow from / (used in) financing activities increased to Rs. 579.48 million as compared to Rs. (2,269.72 million) in fiscal 2006, primarily due to increase in equity capital by Rs. 1,378 million during fiscal 2007 and due to additional borrowings during fiscal 2007 primarily for new projects being setup. As of March 31, 2007, the Company had total outstanding secured and unsecured loans of Rs. 7,070.88 million compared to Rs. 4,388.88 million as of March 31, 2006. The increase in secured and unsecured loans was as due to reasons stated above.

Capital Expenditure

The Company's purchase of fixed assets (including capital work-in-progress and capital advances) for the six months ended September 30, 2009 and fiscal 2009, 2008 and 2007 was approximately Rs. 18,807.68 million, Rs. 52,145.14 million, Rs. 24,969.69 million and Rs. 2,747.09 million, respectively. The expenditure for the six months ended September 30, 2009 and consisted primarily of expenses on new power generation projects being setup at Vijayanagar, Ratnagiri and Barmer and our mining, equipment manufacture and power transmission joint ventures.

As of September 30, 2009, we had spent Rs. 71,528.18 million on our projects.

In fiscal 2010, post September 30, 2009, we expect to spend Rs. 26,047.88 million on the following six projects: JSWERL, RWPL Phase I and Phase II, Kutehr, BLMCL and JPTL. In fiscal 2010, we do not expect to spend any significant amounts on our other projects under construction, implementation and development. In fiscal years 2011, 2012, 2013 and 2014 onwards we expect to spend Rs. 18,823.90 million, Rs. 9,025.00 million, Rs.7,432.40 million and Rs. 7,700.00 million, respectively, on our projects under construction and implementation. See "Objects of the Issue—Investment in Subsidiaries to part-finance the construction and development costs of the Identified Projects."

Set forth in the table below are, with respect to each of the six power projects, including projects that are currently under construction or implementation, and the joint ventures in transmission and mining, the amounts that were spent on these projects by us as of September 30, 2009 and the total estimated project costs to completion.

Identified Projects	Amount deployed as of September 30, 2009	Estimated Cost to Completion
	(Rs. in million)	
JSWERL (1,200 MW)	26,652.60	45,000.00
RWPL (Phase I)(1,080 MW)	39,208.40	50,000.00
RWPL (Phase II) (270MW)	617.60	13,500.00
Kutehr (260MW)	127.60	19,152.00
JPTL	1,729.20 (1)	5,800.00(3)
BLMCL	3,192.78 (2)	7,105.36 (4)
Total	**71,528.18**	**140,557.36**

(1) Includes Rs.152.20 million already deployed by MSETCL

(2) Includes Rs.102 million already deployed by RSMML

(3) Includes Rs.377 million to be infused by MSETCL.

(4) Includes Rs.102 million to be infused by RSMML

In addition to the six foregoing projects, we also have four additional power projects that are in various stages of development. On an aggregate basis, we expect that our estimated cost to complete these four additional projects will be Rs. 371,186.80 million. We intend to drawdown approximately Rs. 50,000 million of our available debt by March 2011.

Other than the JSWEL SBU-II, JSWERL, JPTL and RWPL Phase I and Phase II projects, 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 September 30, 2009, our cash and cash equivalents were Rs. 1,589.63 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 five projects under development. 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 1,200 MW power plant under construction or on account of any unforeseen increase in the costs of our projects. We will seek to obtain additional funding through additional issuances of equity and/or debt securities or by securing new loans.

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 continue to 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 its 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."

Indebtedness

As of March 31, 2009 we had outstanding secured loans of Rs. 59,265.85 million and unsecured loans of Rs. 5.78 million. As at September 30, 2009, we had outstanding secured loans of Rs. 75,756.85million and unsecured loans of Rs. 1,005.78 million.

Many of the financing arrangements are secured by a charge on current assets and fixed assets comprising 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. 17,491 million from March 31, 2009 to September 30, 2009 is a result of additional borrowings for the projects being set up.

Our financing agreements include covenants that require it to obtain lender consents prior to carrying out certain activities and entering into certain transactions. Specifically, we must seek and obtain, lender consent to amend our Memorandum and Articles of Association, change our capital structure, change its management structure, declare dividends, create additional charges on or further encumber our assets, open a bank account with a bank other than the lender, create a subsidiary, remove personnel with substantial management powers or merge with or acquire other companies, or disposing of a substantial portion of its assets and developing new projects whether or not there is any failure by us to comply with the other terms of such agreements.

We believe that our relationships with our lenders are good. Compliance with the various terms of our loans is, however, subject to interpretation, and we cannot assure you that we have requested or received all consents from our lenders that are required by our financing documents. 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 its ability to conduct its business and have a material adverse effect on its financial condition and results of operations.

Please also see "Financial Indebtedness" on page 336 of this Red Herring Prospectus.

Contractual Obligations and Commitments

The following table summarizes the Company's contractual obligations and commitments to make future payments as of September 30, 2009 on a consolidated basis:

	As of September 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					

	As of September 30, 2009				
	Payment Due by Period				
	Total	Less than 1 year	1-3 years	3 -5 years	More than 5 years
Loans					
Rupee Term Loans / Debentures	74,255.39	2,143.04	12,406.86	14,109.90	45,595.59
Foreign Currency Loans	323.25	129.30	193.95	0.00	0.00

Contingent Liabilities and other Off-Balance Sheet Arrangements

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

Sl.	Details	As of September 30, 2009
		(Rs. in million)
a	Bank Guarantees Outstanding	2,719.70
b	Income Tax matters	62.30

Transactions with Associates and Related Parties

From time to time, we enter into transactions with companies which are controlled by members of the Company's 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" beginning on page 203 of this Red Herring Prospectus.

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 foreign currency denominated borrowings and operating expenses. The following discussion and analysis, which constitute "forward-looking statements" summarizes our exposure to various market risks.

Credit Risk

In the power business, we currently derive most of our operating revenue from contracts with government entities as the counter-party. Currently 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 ability to service long-term debt and to finance development of new projects, all of which may in turn adversely affect our results of operations.

We have fixed rate (with provisions for periodic resets) and floating rate (which changes when the underlying benchmark changes) debt. The floating rate debt exposes us to market risk as a result of changes in interest rates and, as of September 30, 2009 Rs. 18,861.51million, or approximately 24.57% of our total debt, was subject to variable rates. We undertake debt obligations to support capital expenditures, working capital, and general corporate purposes. Upward fluctuations in interest rates increase the cost of new debt and interest cost of outstanding variable rate borrowings and therefore increase the project cost. An increase in interest rates of 1% on our existing floating rate debt would increase our annual interest liability by approximately Rs. 188.62million based upon the long-term and short-term loans outstanding of Rs. 76,762.63 as of September 30, 2009. We do not currently use any derivative instruments to modify the nature of its debt so as to manage interest rate risk.

Commodity Risk

Once our power projects enter commercial operation, we become dependent upon our suppliers for our fuel requirements. With respect to those PPAs where fuel is not a complete pass through expense, we will be subject to variations in the price of fuel at rates fixed by such companies.

The Company is exposed to fluctuations in the price, availability and quality of the primary raw materials it requires for implementation of its projects. Of our commodity-driven risks, we are primarily exposed to risks associated with the generation, fuel procurement and power trading of electricity.

We have entered into certain long-term fuel supply agreements and long-term contractual obligations for sales of electricity to other load-serving entities. See "Our Business" on page 76 of this Red Herring Prospectus for more information.

Foreign Currency Exchange Rate Risk

The Company is exposed to foreign exchange rate risk on account of foreign currency denominated contracts for capital equipment, import of raw materials under fuel supply agreements, and foreign currency borrowings. We currently do not hedge against this foreign currency exchange rate risk.

Known Trends or Uncertainties

Other than as described in this Red Herring Prospectus, particularly in the sections "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages xiii and 309, respectively, of this 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 the Company's income from continuing operations.

Unusual or Infrequent Events or Transactions

As otherwise described in this Red Herring Prospectus, to our knowledge, there have been no events or transactions that may be described as "unusual" or "infrequent".

Seasonality of Business

Our operations may be adversely affected by difficult working conditions during the summer months and during monsoon season that restrict our ability to carry on power supply activities and fully utilise our resources. Nevertheless, we do not believe that our business is seasonal.

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.

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 76, respectively, of this Red Herring Prospectus.

Significant Developments after September 30, 2009 that may affect our future Results of Operations

In compliance with AS-4 "Contingencies and Events Occurring after the Balance Sheet Date" issued by ICAI, to our knowledge, no circumstances other than as disclosed in this Red Herring Prospectus have arisen since the date of the last financial statements contained in the Red Herring Prospectus which materially and adversely affect or are likely to affect, the operations or profitability of the Company, or the value of its assets or its ability to pay its material liabilities within the next 12 months.

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 309, respectively, of this Red Herring Prospectus, to our knowledge, there are no known factors which will have a material adverse impact on our operations and finances.

Significant Dependence on a Single or Few Customers

For details, please refer to the sections "Risk Factors" and "Our Business" beginning on pages xiii and 76, respectively, of this Red Herring Prospectus.

FINANCIAL INDEBTEDNESS

Our aggregate borrowings (consolidated) as of September 30, 2009 are as follows:

(Rs. in million)

S. No.	Nature of Borrowing	Amount
1.	Secured Borrowings	75,756.85
2.	Unsecured Borrowings	1,005.78

The details of our secured borrowings are as follows:

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of September 30, 2009	Repayment and Interest	Security
1.	JSWEL, ICICI (Lead Institution) and ICICI, Industrial Development Bank of India, Punjab National Bank, State Bank of India, Life Insurance Corporation of India, Industrial Reconstruction Bank of India, General Insurance Corporation of India Limited, New India Assurance Company Limited, United India Insurance Company Limited, National Insurance Company Limited, Oriental Insurance Company Limited (Lenders) dated March 27, 1997	Rupee Loan Agreement	Rs. 1,610 million Amount drawn down Rs. 1,607.85 million	Rs. 186.88 million	Repayment is in 40 Equal quarterly instalments for all Lenders, other than Punjab national Bank. For Punjab National Bank, 20 equal quarterly instalments. The first Repayment date is July 15, 2001. Interest shall be paid at the applicable rate as prevailing on the date of such disbursement out of the loan.* The interest on all loans on all monies accruing due shall in case not paid on their due dates, shall be the higher of the applicable rate in respect of that institution The applicable rate shall be the rate of interest on the principal amount of the Loan outstanding to the State Bank of India at any point. * in the event of default in payment of any instalment of principal of the Loan, interest to other monies becoming due on their	(i) First ranking mortgage in favour of Security Trustee of all the Company's (SBU I) immovable properties in Maharashtra and its intangible assets. (ii) First charge by way of hypothecation in favour of Security Trustee of all the Company's (SBU I) moveable assets, including movable machinery, machinery spares, tools and accessories (iii) An equitable mortgage in favour of Security Trustee of the Company's (SBU I) immovable assets in Karnataka. (iv) First ranking security in favour of Security Trustee over amounts held by Company (SBU I) in any bank accounts outside India. The security created above shall rank *pari passu* with security created in favour of: - Security Trustee for securing the guarantee assistance under the JTPC Guarantee Agreement and the Company's obligations under the CAG Facility Agreement. - Debenture trustee for securing debentures under the Debenture Trust Deed. - Any person who finances the dollar shortfall or rupee shortfall by way of loans or subscription for debentures. - Company's banks for securing borrowing for working capital requirements, provided it shall not exceed Rs. 500 mn.

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of September 30, 2009	Repayment and Interest	Security
					respective dates, the Company shall have to pay the lenders liquidated damages on such defaulted amounts at the rate of 5.15 percent p.a. for the period of such default.	
2.	Subscription Agreement between JSWEL and ICICI Limited (trustee), SCICI limited and Industrial Finance Corporation of India Limited dated March 27, 1997	Debentures	Secured Redeemable Non Convertible Debentures of ten million Rupees each aggregating to Rs. 1700 million	Rs. 162.50 million	The debentures shall be redeemed in 50 equal quarterly instalments. The first payment date is July 15, 2001. Interest shall be payable at the applicable rate as per the agreement* The interest on all the Debentures and all monies accruing under this agreement shall , in case not paid on their due dates , shall be the higher of the rate applicable in respect of that institution * in the event of default in redemption of debentures, interest or other monies becoming due on their respective dates, the Company shall have to pay the lenders liquidated damages on such defaulted amounts at the rate of 5.15 percent p.a. for the period of such default.	(i) First ranking mortgage in favour of Debenture Trustee of all the Company's (SBU I) immovable properties in Maharashtra and its intangible assets. (ii) First charge by way of hypothecation in favour of Debenture Trustee of all the Company's (SBU I) moveable assets, including movable machinery, machinery spares, tools and accessories (iii) An equitable mortgage in favour of Security Trustee and the Debenture Trustee of the Company's (SBU I) immovable assets in Karnataka. (iv) First ranking security over amounts held by Company (SBU I) in any bank accounts outside India. The security created above shall rank *pari passu* with security created in favour of: - Security Trustee for securing the Company's obligations under the Loan Agreement, JTPC Guarantee Agreement and the CAG Facility Agreement. - Any person who finances the dollar shortfall or rupee shortfall by way of loans or subscription for debentures. - Company's (SBU I) banks for securing borrowing for working capital requirements, provided it shall not exceed Rs. 500 mn.
3.	Rupee Term Loan Agreement between Power Finance	Rupee Loan Agreement	Rs. 650 million Amount drawn down 630.68 million	Rs. 187.50 million	Repayment is in 37 equal Quarter instalments	(i) First ranking mortgage in favour of Second Additional Security Trustee all of the Borrower's (SBU I)

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of September 30, 2009	Repayment and Interest	Security
	Corporation Limited (Lender) and JSWEL (Borrower) dated February 24, 2003				The first instalment is due on April 15, 2003 Interest shall be charged at the rate prevailing on the date of each disbursement and at the reset date after reset of the interest as per the loan document* * in the event of default in payment of any instalment of principal of the Loan, interest to other monies becoming due on their respective dates, the Company shall have to pay the lenders liquidated damages on such defaulted amounts at the rate of two percent p.a. for the period of such default compounded on a quarterly basis.	immovable properties in Maharashtra and its intangible assets. (ii) First charge by way of hypothecation on all movable assets of the Company (SBU I). (iii) An equitable mortgage of the Company's (SBU I) immovable assets in Karnataka. (iv) Floating charge on the general assets of the Company (SBU I).
4.	Foreign Currency Loan Agreement between Power Finance Corporation Limited (Lender) and JSWEL (Borrower) dated February 24, 2003	Foreign Currency Loan Agreement	USD 44.5 million Amount drawn down USD 41.72 million	USD 6.73 million (Rs. 323.25 million)	Repayment is in 31 equal Quarter instalments The first instalment was due on April 15, 2003 Interest is payable at the rate of 10.30% p.a.* * in the event of default in payment of any instalment of principal of the Loan, interest to other monies becoming due on their respective dates, the Company shall have to pay	(i) First ranking mortgage in favour of Second Additional Security Trustee all of the Borrower's (SBU I) immovable properties in Maharashtra and its intangible assets. (ii) First charge by way of hypothecation on all movable property of the Company (SBU I). (iii) An equitable mortgage of the Company's (SBU I) immovable assets in Karnataka. (iv) Floating charge on the general assets of the Company (SBU I).

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of September 30, 2009	Repayment and Interest	Security
					the lenders liquidated damages on such defaulted amounts at the rate of two percent p.a. for the period of such default compounded on a quarterly basis.	
5.	Rupee Loan Agreement between JSWEL and State Bank of Hyderabad dated January 20, 2005	Rupee Loan Agreement	Rs. 500 million Amount drawn down Rs. 279.23 million	Rs. 81.29 million	Repayment is in 25 equal quarterly instalments. The first instalment shall be due on April 15, 2005. Interest is payable at a rate of 10% p.a. till the next reset date.* * in the event of default in payment of principal, interest or other monies becoming due on their respective dates, the Company shall have to pay the lenders penal interest on such defaulted amounts at the rate of two percent p.a. for the period of such default.	(i) First ranking mortgage in favour of Third Additional Security Trustee of all the Company's (SBU I) immovable properties in Maharashtra, moveable assets, including movable machinery, machinery spares, tools and accessories and its intangible assets and further including, the right, title and interest of the Company (SBU I) in any governmental permits, authorisations, approvals, no-objections, etc. (ii) An equitable mortgage in favour of Third Additional Security Trustee of the Company's (SBU I) immovable assets in Karnataka. (iii) The security interest in the shares created by Buyback Agreement and Escrow Agreement in favour of IDBI shall rank senior in priority over the security interest created by this agreement (iv) First *pari passu* charge on the entire fixed assets of the Company (SBU I). The security created above shall rank *pari passu* with security created in favour of: - Security Trustee for securing loan under the Rupee Term Loan Agreement and the Company's (SBU I) obligations under the CAG Facility Agreement. - Debenture trustee for securing debentures - Additional Security Trustee for securing the Company's obligations under the Additional Rupee Loan Agreement. - Company's (SBU I) banks for securing borrowing for working capital requirements, provided it shall not exceed Rs. 500 mn.
6.	ICICI Rupee Facility Agreement amongst	Rupee Facility Agreement	Rs. 3,000 million Amount drawn down Rs. 3,000	Rs. 500 million	Repayment is in 24 equal quarterly instalments.	(i) A charge/ assignment/ security interest on the irrevocable, no lien Trust and Retention Accounts of the

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of September 30, 2009	Repayment and Interest	Security
	JSWEL (Borrower) and ICICI Bank Limited (Rupee Lender) dated December 14, 2006		million		(The first repayment date shall be the date following the 18th Fiscal Quarter after initial drawdown date) Interest until the first reset date is 3.25% pa below the sum of IBAR and Term Premium. On each interest reset date, the applicable rate shall be reset to a rate equal to 3.25% pa below the sum of the then prevailing IBAR and Term Premium.	Company (SBU I). (ii) A charge and mortgage on all immovable and moveable assets of the Company (SBU I). (iii) A charge/ assignment/ security interest on all the revenues/receivables of the Company (SBU I). (iv) A charge/ assignment/ security interest on rights, titles and interests of the Company (SBU I) in respect of all project documents/contracts/licenses including insurance contracts Provided that the charge/ assignment/security interest mentioned above shall rank: second and subordinate to the existing charges/ assignments/ security interests created in favour of those lenders of the Company (SBU I) having first charge; and *pari passu* with the charge/ assignment/ security interest created or to be created in favour of those lenders of the Company (SBU I) having second charge. (v) A pledge of 9.4 million equity shares held in JSWSL by JSWIPL (vi) Security above shall rank *pari passu*, with charge assignment security interest in favour of the lenders of the borrowers having first charge.
7.	ICICI Senior Rupee Facility Agreement between JSWEL (Borrower) and ICICI Bank Limited (Senior Rupee Lender) dated December 14, 2006	Senior Rupee Facility Agreement	Rs. 3,000 million Amount drawn down Rs. 3,000 million	Rs. 500 million	Repayment shall be in 24 equal quarterly instalments. (The first repayment date shall be the date following the 18th Fiscal Quarter after initial drawdown date) Interest until the first reset date is 3.25% pa below the sum of IBAR and Term Premium. On each interest reset date, the applicable rate shall be reset to a rate equal o 3.25% pa below the sum of the then prevailing IBAR and Term Premium.	(i) A charge/ assignment/ security interest on the irrevocable, no lien Trust and Retention Accounts of the Company (SBU I). (ii) A charge/ assignment/ security interest on all the revenues/ receivables of the Company (SBU I). Provided that the charge/ assignment/security interest mentioned above shall rank: second and subordinate to the existing charges/ assignments/ security interests on the irrevocable, no lien Trust and retention Accounts of the Company (SBU I) created in favour of those lenders having first charge; and *pari passu* with the charge/ assignment/ security interest created or to be created in favour of those lenders of the Company (SBU I) having second charge. (iii) A first mortgage and charge on all the immovable and moveable assets of the Company (SBU I). (iv) A charge/assignment/security interest on rights, titles and interests of the Company

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of September 30, 2009	Repayment and Interest	Security
						(SBU I) in respect of all project documents/contracts/licenses including insurance contracts Provided that the charge/ assignment/security interest mentioned above shall rank *pari passu* with the charge/ assignment/ security interest created in favour of those lenders of the Company (SBU I) having first charge. (v) A pledge of 9.4 million equity shares held in JSWSL by JSWIPL.
8.	Facility Agreement between IDBI Bank Limited and JSWEL dated September 29, 2008	Rupee Term Loan and Working Capital Facilities	Rs. 6,000 million; Rupee Term Loan ("RTL"): Rs. 4,750 million; Working Capital Facilities: Rs. 1,250 million by way of cash credit ("CC")/ working capital demand loan ("WCDL") of Rs. 250 million and non fund based limit by way of Bank Guarantee and Letter of Credit of Rs. 1,000 million. Amount drawn down: Rs. 4700 million	Rupee Term Loan: Rs. 4700 million. Cash Credit: Nil Bank Guarantee: Rs.439.70 million Letter of Credit: Rs.101.72 million (USD 2.12 million)	Repayment of the RTL is in 12 monthly instalments commencing from 25th month from the date of first disbursement; CC and WCDL shall be repayable on demand; Period of Bank guarantee not to exceed 36 months excluding the claim period/ return of original guarantee on or before the date of expiry; Period of Letter of Credit and Buyer's credit shall not exceed 180 days/ 12 months respectively; Interest rate for RTL and CC is 50 bps per annum below IDBI's BPLR; Interest rate on WCDL will be decided at the time of availment of the facility. Subject to a minimum rate of FTP plus 25 bps	(i) Second charge by way of hypothecation in favour of the lender of the Company's (SBU I) entire movables, including movable machinery, machinery spares, tools and accessories, present as on March 31, 2008; (ii) Second charge by way of hypothecation in favour of the lender of the Company's (SBU I) movables including stocks of raw materials, semi finished and finished goods, consumable stores, book debts and such other movables as may be agreed to by the lender for securing the borrowings for working capital requirements in the ordinary course of business, both present and future ranking *pari passu* with the existing working capital lenders; (iii) Pledge of 10% of the paid up equity capital of the Company held by the Promoters; (iv) Demand Promissory Note; (v) Undertaking to create first *pari passu* charge on the movable and immovable assets of the Company (SBU I), ranking *pari passu* charge with the existing lenders, in case of any default in payment of any dues on the respective due dates; (vi) Omnibus counter guarantee in case of Bank Guarantees to be issued
9.	Loan Agreement between IDBI	Rupee Term Loan	Rs. 600 million Amount drawn	Rs. 346.43 million	Repayment is in 16 quarterly	(i) Second mortgage and charge in favour of the lender of all

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of September 30, 2009	Repayment and Interest	Security
	Bank Limited and JSWEL dated June 23, 2008		down: Rs. 571.43 million		instalments of Rs. 37.5 million each commencing from July 1, 2008. Interest is at the rate of 10.70% per annum.	the immovable properties (SBU I), both present and future; (ii) Second charge by way of hypothecation in favour of the lender of the Company's (SBU I) entire movables including movable machinery, machinery spares, tools and accessories, present and future subject to prior charges created and/or to be created in favour of the Company's (SBU I) bankers on the Company's (SBU I) stocks of raw materials, semi finished and finished goods, consumable stores and other movables as may be agreed by the lender for securing the working capital requirements in the ordinary course of business; (iii) Undertaking to create first mortgage and charge on all movable and immovable assets of the Company(SBU I), in case of default; (iv) Demand Promissory Note.
10.	Sanction Letter dated February 24, 2009 and Deed of Hypothecation and Hypothecation Agreement between Punjab National Bank and JSWEL dated February 27, 2009	Specific Bank Guarantee in favour of Karnataka Power Transmission Company Limited	Rs. 1,000 million	Rs. 1,000 million	Period of Guarantee is one year excluding claim period of maximum three months. Guarantee commission of 2% per annum;	(i) Second charge by way of hypothecation of all the block assets of the Company (SBU I) both present and future; (ii) First charge by way of hypothecation of the present and future stocks of raw materials, works in process, finished goods, consumables, stores and spares and all other current assets of the Company (SBU I) which shall be brought in or stored in the Company's (SBU I) godowns at Toranagullu, Bellary District, Karnataka or any other godowns; (iii) First charge by way of hypothecation of present and future book debts of SBU I, outstanding decrees, money receivables, claims, securities, Government subsidies, investments, rights and other movable assets excluding bills purchase/discounted bank and bills against which advances have been made; (iv) Second charge by way of mortgage on the 122.3 acres of land at Toranagullu, together with all structures thereon.
11.	Sanction Letter dated July 23,	Working	Aggregate: Rs.	Cash Credit:	Working Capital	(i) First charge by way of hypothecation of the present

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of September 30, 2009	Repayment and Interest	Security
	2008; Deeds of Hypothecation dated September 23, 2008; and Supplementary Agreement between Punjab National Bank and JSWEL (SBU I) dated January 28, 2009.	Capital Facilities	500 million: Cash Credit ("CC"): Rs. 250 million; Bill Discounting under Letter of Credit ("BD-LC") (workable within CC limit of Rs 250 million): 140 million Letter of Credit: Rs. 50 million; Letter of Guarantee: Rs. 200 million; Specific Bank Guarantee: Rs. 1,200 million (Unsecured)	Rs. Nil million; Letter of Credit: Nil; Letter of Guarantee: Nil	Facilities are repayable in one year; Interest on Cash Credit facility is at the rate of 2.25% below BPLR; Bill Discounting under Letter of Credit: BPLR minus 3.25%; Commission on Letter of Credit facility is at the rate of 50% of the normal charges applicable; Commission on Letter of Guarantee is at the rate of 50% of the normal rate. The working capital facilities are repayable in one year	and future stocks of raw materials, works in process, finished goods, consumables, stores and spares and all other current assets of the Company (SBU I) which shall be brought in or stored in the Company's (SBU I) godowns at Bangalore, Karnataka or any other godowns; (ii) First charge by way of hypothecation (SBU I) of present and future book debts, outstanding decrees, money receivables, claims, securities, Government subsidies, investments, rights and other movable assets excluding bills purchase/discounted bank and bills against which advances have been made; (iii) First charge by way of hypothecation of the assets of the Company (SBU I) brought in, or stored in the Company's (SBU I) premises or godowns at Toranagullu, Karnataka or any other godown or godowns; (iv) First charge by way of mortgage on the 122.3 acres of land at Toranagullu, together with all structures thereon; (v) First *pari passu* charge on immovable and movable assets of the Company (SBU I) both present and future ranking *pari passu* with the term lending financial institutions and banks; (vi) A counter indemnity from the Company (SBU I) for guarantee.
12.	Loan Agreement amongst JSWEVL (now JSWEL- SBU-II) (Borrower) and IDBI (lender's agent) and IDBI trusteeship services limited (Security trustee) and lenders (IDBI, PNB, Syndicate Bank, Canara Bank, Union Bank of India, Vijaya Bank, Oriental bank of Commerce,	Loan Agreement	Rs. 13,950 million Amount drawn down: Rs. 12,578.83 million	Rs. 12,578.83 million	Repayment shall be in 32 equal quarterly instalments beginning form January 1, 2010. Interest is payable on the first day of each month at the applicable rate.* * In the event of default in payment of any instalment of principal of the	(i) First mortgage and charge of all JSWEL-SBU II's immovable properties. (ii) First charge by way of hypothecation of all JSWEL-SBU II movable properties. (iii) First charge by way of an assignment by JSWEL-SBU II of: all receivables, accounts and book debts, both present and future, with respect to the project, right, title and interest of the borrower into and under all the project documents and guarantees, securities, performance warranties, indemnities that may be furnished in favour of JSWEL-SBU II by various

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of September 30, 2009	Repayment and Interest	Security
	Dena Bank) dated October 6, 2006.				Loan, interest to other monies becoming due on their respective dates, the company shall have to pay the lenders liquidated damages on such defaulted amounts at the rate of two percent per annum for the period of such default.	contractors, right title and interest of JSWEL-SBU II in trust and retention accounts agreement and in, to and under all the government approvals and insurance policies with respect to the project. (iv) First charge on all intangible assets of JSWEL-SBU II including goodwill and uncalled capital of JSWEL-SBU II.
13.	Sanction Letter dated May 11, 2009, Deeds of Hypothecation and Hypothecation Agreement between Punjab National Bank and JSWEL (SBU II) dated May 28, 2009	Working Capital Facilities	Aggregate: Rs. 3,370 million: Cash Credit: Rs. 1,200 million; Letter of Credit facility: Rs. 1,750 million; and Letter of Guarantee: Rs. 420 million	Cash Credit: Rs. 162.64 million; Letter of Credit: Rs. 1,415.73 million (USD 29.47 million); Letter of Guarantee: 5.02	Cash credit facility is repayable in one year; Letter of Guarantee facility is for a period of two years excluding claim period of maximum of six months; Usance period for letter of credit facility is 120 days; Interest on cash credit facility is at the rate of 0.25% above the BPLR; Commission on Letter of Guarantee and letter of credit facilities are at the rate of 50% of the normal rates.	(i) First charge by way of hypothecation on the present and future stocks of raw materials, works in process, finished goods, consumables, stores and spares and all other current assets of the Company (SBU-II) which shall be brought in or stored in the Company's godowns at Toranagullu, Karnataka or any other godowns; (ii) First charge by way of hypothecation on the present and future book debts, outstanding decrees, money receivables, claims, securities, Government subsidies, investments, rights and other movable assets of JSWEL SBU-II, excluding bills purchase/discounted with bank and bills against which advances have been made; (iii) First charge on SBU-II's Trust and Retention Accounts and other accounts. (iv) First charge to be created by way of mortgage on all immovable properties of SBU-II.
14.	Sanction Letter dated July 30, 2009, Deed of Hypothecation dated September 9, 2009 and Facility Agreement dated September 9, 2009 between IDBI Bank Limited and JSWEL	Working Capital Facilities	Aggregate: Rs. 3,200 million: Cash Credit ("CC")/Working Capital Demand Loan ("WCDL"): Rs. 1,600 million; Letter of Credit ("LC")/Buyers Credit: Rs. 1,200 million;	Cash Credit: Rs. 240 million; WCDL: NIL; Letter of Credit: Rs. 599.92 million (USD 12.49 million); Letter of Guarantee:	Cash Credit is repayable in one year; WCDL is repayable within 180 days, extendable up to 12 months; Usance period for letter of credit facility is 365 days;	a) First charge by way of hypothecation of all the borrower's movables (save and except book debts) of JSWEL SBU-II including movable machinery, machinery spares, equipments, tools and accessories, present and future; b) First charge by an assignment by the borrower of (a) all receivables, accounts and book debts, both present and future, with respect to the

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of September 30, 2009	Repayment and Interest	Security
			Bank Guarantee ("BG"): Rs. 300 million; Treasury Credit Limit: Rs. 100 million	Nil Treasury Credit Limit: Nil	Tenure of Bank Guarantee is maximum three years from the date of issuance; Interest on cash credit facility is at the rate of 1.25% below BPLR; Interest on WCDL is a minimum of FTP + 0.5% Commission on letter of credit facilities is 0.75% plus service tax payable quarterly; Commission on Bank Guarantee is 1% per annum plus service tax payable quarterly	borrower's project pertaining to 2x300 MW coal based thermal power plant at Toranagallu, Bellary, Karnataka i.e. SBU II, (b) the right, title and interest of the borrower into and under all the project documents and the guarantees, other performance warranties, indemnities and securities that may be furnished in favour of the borrower by the various contractors under the project documents pertaining to JSWEL SBU II, after obtaining the written consent of the parties thereto, if necessary (c) the right, title and interest of the borrower in the Trust & Retention Accounts Agreement entered into/ to be entered, into between the borrower, Lender and Bank and (d) the right, title and interest of the borrower into and under all government approvals, insurance policies with respect to JSWEL SBU II; c) First charge on all intangible assets of the JSWEL SBU-II but not limited to goodwill and uncalled capital of JSWEL SBU II. d) First mortgage and charge to be created in favour of the bank on all the immovable properties of JSWEL SBU-II (other than current assets), both present and future in the form and manner acceptable to the bank.
15.	Sanction Letter dated July 3, 2009, Common Hypothecation Agreement dated September 10, 2009 between Canara Bank and JSWEL	Working Capital Facilities	Aggregate: Rs. 1,530 million: Cash Credit ("CC"): Rs. 800 million; Letter of Credit ("LC"): Rs. 585 million; and Bank Guarantee ("BG"): Rs. 145 million	Cash Credit: Rs. 434.34 million; Letter of Credit: Nil; Bank Guarantee: Nil	Cash Credit is repayable in one year; Usance period for letter of credit facility is 120 days; Tenure of Bank Guarantee is two years excluding claim period of six months; Interest on cash credit facility is at the rate of 0.25% below the BPLR; Commission on	(i) First charge by way of hypothecation on all stocks of goods such as raw materials, goods in process, finished and manufactured goods and other items of stock in trade and stores, spares, components, machinery, vehicles, furniture and fixtures and all other movable goods and properties of every description of the borrower's (JSWEL SBU-II) factories, places of business, residence(if applicable), godowns or in transit or in the custody of processors, warehouse agents or others or wherever else the same may be situated, lying or being including any such raw materials, articles or goods, stores, spares, components, stock in trade and all description of movable property in the course of

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of September 30, 2009	Repayment and Interest	Security
					Bank Guarantee and LC facilities are at the rate of 50% of the applicable charges.	delivery to the borrower; and (ii) First charge by way of hypothecation on all of the borrower's present and future book debts, outstanding moneys, bills receivable, claims, bills, contracts, securities, investments, cash, gold, silver, jewellery, rights and assets and rights relating to or in movable properties of whatsoever nature to which the borrower is entitled to during the continuance of this Agreement. (iii) First charge by way of mortgage to be created on all immovable properties of JSWEL SBU-II.

16.	Common Loan Agreement dated September 29, 2009 between IDBI Bank Limited, Infrastructure Development Finance Company Limited, Karnataka Bank Limited, Bank of Baroda, Andhra Bank (as Lenders) and IDBI Bank Limited (as Lenders Agent) and IDBI Trusteeship Services Limited (as Security Trustee) and JSWEL	Rupee Term Loan	Rs. 7,500 million:
			
			Tranche I: Rs. 3,000 million; and
			
			Tranche II: Rs. 4,500 million.
				Tranche I: Rs. 2,220 million; and
				
				Tranche II: Rs. 2,780 million.
					Loan availed in Tranche I is repayable in 24 consecutive quarterly instalments starting from October 1, 2011 and ending on July 1, 2017;
					
					Loan availed in Tranche II is repayable in 14 consecutive quarterly instalments starting from October 1, 2011 and ending on January 1, 2015;
					
					Interest on the loan availed in Tranche I is 10.75% and loan availed in Tranche II is 11.75%*;
					
					* In the event of default in repayment of any instalment of principal of the Loan, interest to other monies becoming due on their respective dates, the company shall have to pay the lenders liquidated damages on such defaulted amounts at the
						Tranche I:
						- first charge by way of mortgage of immovable & movable properties of JSWEL SBU I, both present & future;
						- first charge by way of hypothecation of all the movable assets including all revenues/ receivables of JSWEL SBU I both present and future and a first charge on the borrower's stock of raw materials, semi finished goods, consumable stores, machinery spares, tools and accessories, book debts and other current assets, both present and future;
						- first charge by way of assignments or creation of charge through hypothecation of
						  - all intangibles including but not limited to any right, title, interest, benefit, claims and demands in power purchase agreement, fuel supply agreements, intellectual property rights, goodwill, uncalled capital, trademarks, patents, pertaining to JSWEL SBU I, present and future;
						  - all rights and interests of the borrower under any letter of credit, guarantee or performance bond provided by any party for any project contract in favour of the borrower with respect to JSWEL SBU I,
						  - all JSWEL SBU I's contracts including but not limited to engineering, procurement and construction contracts, procurement and construction contracts, operation and maintenance contracts, rights, titles, approvals, government approvals, clearances,

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of September 30, 2009	Repayment and Interest	Security
					rate of two percent per annum for the period of such default.	permits and insurance policies, insurance contracts and insurance proceeds relating to all assets of JSWEL SBU I. Tranche II: - Second charge on all immovable and movable properties of JSWEL SBU I & II, both present and future; - First charge over all the revenues/ receivables as well as TRA Account of JSWEL SBU I. - Second charge on revenues/ receivables of JSWEL SBU II; - Second charge by way of assignment or creation of charge through hypothecation of - all intangibles but not limited to (i) any right, title, interest, benefit, claims and demands in power purchase agreement, fuel supply agreements, intellectual property rights, goodwill, uncalled capital, trademarks, patents pertaining to JSWEL SBU I & II both present and future, - all rights and interests of the Borrower under any letter of credit, guarantee or performance bond provided by any party for any project contract in favour of the Borrower with respect to JSWEL SBU I & II and, - all JSWEL SBU I & II's contracts including but not limited to engineering, procurement and construction contracts, procurement and construction contracts, operation and maintenance contracts, rights, titles, approvals, government approvals, clearances, permits and insurance policies, insurance contracts and insurance proceeds relating to all assets of JSWEL SBU I and II.
17.	Facility Agreement dated September 11, 2009 between L&T Finance Limited, L&T Infrastructure Finance Company Limited and JSWEL	Rupee Term Loan	Rs. 1,100 million:	Rs. 1,100 million	Rs. 220 million to be repaid at the end of the sixth month from the date of first disbursement and the remaining Rs. 880 million to be repaid in five monthly	Subservient charge on the movable assets of JSWEL SBU I.

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of September 30, 2009	Repayment and Interest	Security
					instalments of Rs. 176 million starting from the 11th month of the date of first disbursement*. * All repayments are to be made in the exact proportion of the disbursed amount each by L&T Infrastructure Finance Company Limited and L&T Finance Limited. Interest is payable at the rate of 9.50 % per annum** ** In the event of default in repayment of the principal of the Loan, interest to other monies on their respective dates, the company shall have to pay further interest at the rate of two percent per annum for the period of such default.	
18.	Rupee Facility Agreement amongst State Bank of India and Andhra Bank, Bank of India, Central Bank of India, Dena Bank, India Infrastructure Finance Company Limited, Indian Bank, Life Insurance Corporation of India, L & T Infrastructure Finance Company Limited, Oriental Bank of Commerce, Punjab National Bank, Punjab &	Rupee Facility Agreement	Rs. 33,750 million	Rs. 18,371.94 million	Repayment to the Rupee Lenders (except India Infrastructure Finance Company Limited and L&T Infrastructure Finance Company Limited) is in 40 equal quarterly instalments; to India Infrastructure Finance Company Limited in 48 quarterly instalments and for L&T Infrastructure Finance Company	(i) a first ranking mortgage and charge / Security Interest in favour of the Security Trustee, in respect of: - all the Borrower's immovable properties both present and future; - all the Borrower's movable properties and assets, both present and future; - all tangible and intangible assets including but not limited to the goodwill, undertaking and uncalled capital of the Borrower; - all revenues and receivables of the Borrower from the Project or otherwise; - all of the Borrower's rights, titles and interest in respect of the assets and its rights under each of the Project Documents, duly acknowledged and consented to, where required, by the relevant counter-parties to

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of September 30, 2009	Repayment and Interest	Security
	Sind Bank, State Bank of Hyderabad, State Bank of India, State Bank of Indore, State Bank of Mysore, State Bank of Patiala, State Bank of Travancore, Erstwhile State Bank of Saurashtra, Small Industries Development Bank of India, Vijaya Bank, United Bank of India (Rupee Lenders) and JSWERL (Borrower) and State Bank of India (Facility Agent) dated August 2, 2007				Limited in 120 monthly instalments The first repayment date is from September 30, 2011 except in case of L&T Infrastructure Finance Company, and for L&T Infrastructure Finance Company the first repayment date is from July 31, 2011. Interest shall be paid as per the lending rate.	such Project Documents, all the Borrower's rights under each letter of credit/guarantee or performance bond that may be posted by any party to a Project Documents for the Borrower's benefit and all the Borrower's rights under the Clearances (including all contract, licences, permits, approvals, concessions and consents in respect of or in connection with the Project, to the extent assignable under Applicable Law); - all the Borrower's accounts, (including but not limited to the Accounts and the Permitted Investments) and each of the other accounts required to be created by the Borrower under any Transaction Document, including without limitation, the Trust and Retention Accounts Agreement; including in each case, all monies lying credited/deposited into such accounts; - all the Insurance Contracts (and cut through clauses in respect of, or assignments of reinsurances, as applicable) naming the Security Trustee as an additional insured/sole loss payee (as may be required by the Lenders); (ii) a first ranking pledge in respect of 51% of the total, issued and paid up Shares of the Borrower till the date falling two years from the Project COD and thereafter in respect of 26% of the total, issued and paid up Shares of the Borrower till the Final Settlement Date (provided there is no payment Event of Default under the Financing Documents) and the execution by the Pledgor and the Borrower of a Share Pledge Agreement in favour of the Security Trustee;
19.	Rupee Facility Agreement amongst Punjab National Bank (issuing bank), ICICI Bank Limited, IDBI Limited, Indian Bank, Punjab National Bank, India Infrastructure Finance Company Limited,	Rupee Facility Agreement	Rs. 37,500 million	Rs.28,936.45 million	Repayment is in 48 Quarterly Instalments First Repayment Date is the immediate date falling 6 months after the project COD or the date falling at the end of 54 months from financial close, whichever	(i) a first ranking inter se *pari passu* mortgage and charge over: - all the Borrower's immoveable and moveable properties, both present and future; - all tangible and intangible assets of the Borrower including but not limited to its goodwill, undertaking and uncalled capital, both present and future; - all revenues and receivables of the Borrower, whether

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of September 30, 2009	Repayment and Interest	Security
	Infrastructure Development Finance Company Limited, United Bank of India, Canara Bank, Bank Of India, Life Insurance Corporation of India, Vijaya Bank, Rural Electrification Corporation Limited (rupee lenders), RWPL (borrower) and ICICI Bank Limited (facility agent) dated September 3, 2007 Deed of Accession for Adding Three Banks dated April 25, 2008. (Bank of Baroda, Andhra Bank and Central Bank of India)				is earlier. Interest shall be paid as per the lending rate.* * Without prejudice to the obligations of the RWPL under this Agreement and the other financing documents, all monies accruing due to or incurred/paid by the lenders under this agreement or any other Transaction Document, shall, in case the same be not paid on the respective due dates, carry further interest / liquidated damages at the default rate which is over one percent per annum over the lending rate.	from the Project or otherwise, both present and future; - all of the Borrower's rights, title and interest under each of the Project Documents, duly acknowledged and consented to, where required, by the relevant counter-parties to such Project Documents, all the Borrower's rights under each letter of credit/guarantee or performance bond that may be posted by any party to a Project Documents for the Borrower's benefit and all the borrower's rights under the Clearances (to the extent assignable under Applicable Law); - all the Borrower's accounts, (including but not limited to the Accounts and the Permitted Investments) and each of the other accounts required to be created by the Borrower under any Transaction Document, including without limitation, the Trust and Retention Account Agreement; including in each case, all monies lying credited/deposited into such accounts but excluding the Distribution Account and all monies lying in the Distribution Account or liable to be credited to the Distribution Account; - all the Insurance Contracts (and cut through clauses in respect of, or assignments of reinsurances, as applicable) naming the Security Trustee and the Facility Agent as an additional insured (as may be required by the Lenders); (ii) a first ranking pledge in respect of 30% of the total issued and paid up Shares of the Borrower from time to time which may be reduced to 26% upon completion of one year of satisfactory performance of the Project from the Project COD as determined by the Lenders;
20.	Foreign Currency Facility Agreement between ICICI Bank Limited (ECB Lender) and RWPL (Borrower) and ICICI Bank Limited (Facility Agent)	Foreign Currency Facility Agreement	USD$ 57 million Amount drawn down: Nil	Nil	Repayment in 22 equal instalments on half yearly basis beginning from January, 21, 2012. Interest is payable on the Twenty first day	(i) a first ranking mortgage and charge over - all the Borrower's immoveable and moveable properties, both present and future; - all tangible and intangible assets of the Borrower including but not limited to its goodwill, undertaking and uncalled capital, both present and future;

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of September 30, 2009	Repayment and Interest	Security
	dated May 27, 2009				of month of January and July Interest rate payable is six months LIBOR plus 405 bps.* * In case of any failure to pay any amount payable by the Borrower on the due date, interest shall accrue on the unpaid sum from the due date at a rate which is 1% higher than the interest rate.	- all revenues and receivables of the Borrower, whether from the Project or otherwise, both present and future; - all of the Borrower's rights, title and interest under each of the Project Documents, duly acknowledged and consented to, where required, by the relevant counter-parties to such Project Documents, all the Borrower's rights under each letter of credit/guarantee or performance bond that may be posted by any party to Project Documents for the Borrower's benefit and all the borrower's rights under the Clearances (to the extent assignable under Applicable Law); - all the Borrower's accounts, (including but not limited to the Accounts and the Permitted Investments) and each of the other accounts required to be created by the Borrower under any Transaction Document, including without limitation, the Trust and Retention Account Agreement; including in each case, all monies lying credited/deposited into such accounts; - all the insurance contracts naming any person acting as trustee or agent for the benefit of the ECB lender and the facility agent as an additional insured, including all rights and receivables there under (as may be required by the ECB Lenders); (ii) first ranking pledge in respect of 30% of the total issued and paid up share capital of RWPL which may be reduced to 26% upon completion of one year of satisfactory performance of the Project. The security mentioned under (i) and (ii) above shall rank *pari passu inter se* and with the security created or to be created to secure the rupee lenders, the issuing bank, the guarantor and the LC lender.
21.	Sanction Letter dated September 16, 2008; and Deed of Hypothecation of Goods & Book debts and Deed of Hypothecation between Punjab	Cash Credit/ Advance against uncleared effects and working capital facilities	Aggregate: Rs. 1,500 million: Cash Credit/ Advance against uncleared effects: Rs. 500 million. ILC (DA/ DP)/Bank	Cash Credit: Rs.341.24 million; Letter of Credit/Bank Guarantee: Nil	For CC/advance against uncleared effects: a) To be repaid to the Bank on demand b) Interest to be paid at the rate	For CC/advance against uncleared effects: (i) Exclusive first charge on entire current assets including book debts both present and future. (ii) Present and future book debts, outstanding decrees, money,

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of September 30, 2009	Repayment and Interest	Security
	National Bank and JSW Power Trading Company Limited dated September 23, 2008		Guarantee: Rs. 1,000 million		BPLR minus 1% payable monthly or as per Bank's Guidelines from time to time. ILC is for a maximum of 90 days. BG is for a period of 1 year including claim period of 6 months. Commission: 40% of the applicable charges (effectively, 1.44% per annum)	receivable, claims, securities, Government subsidies, investments, other movable assets excluding bills and purchase/discounted bills purchased/discounted by the Bank and bills against which advance has been made. (iii) Hypothecation of assets which shall be brought in, stored or to be in or about their premises or godowns at Toranagullu, Karnataka or any other godown or godowns or be in course of transit from godown to another. (iv) The facility to be collaterally secured with pledge of 8.5 lakh shares of JSW Steel Limited. For ILC (DA/DP) / BG: (i) Counter Indemnity from the company. (ii) Hypothecation of assets which shall be brought in, stored or to be in or about their premises or godowns at Toranagullu, Karnataka or any other go down or godowns or be in course of transit from godown to another.
22.	Common Loan Agreement among Jaigad PowerTransco Limited and Bank of Baroda, Bank of India, Canara Bank, Punjab National Bank, State Bank of India, United Bank of India and State Bank of India and SBICAP Trustee Company Limited dated April 29, 2009	Rupee Term Loan	Rs. 4350 million	Rs. 1,003.87 million	40 equal quarterly instalment. The first repayment date shall be the last Business Day of the quarter commencing on October 1, 2010 referred to as 1st quarter. Interest is payable on the last day of each month at the applicable rate.* Rupee Lenders (except State Bank of India and Punjab National Bank) interest rate shall be linked to each prevailing BPLR as on the date of disbursement and shall remain fixed till project COD /Reset date. State Bank of India and Punjab National Bank at Floating	(i) First mortgage and charge on all immovable properties including leasehold land, both present and future acquired or constructed by the borrower for implementation of the project. (ii) First charge by way of hypothecation of all the Borrower's tangible moveable assets including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other moveable assets, both present and future. (iii) First charge on Borrower's Receivables (iv) First charge over all bank and other accounts of the Borrower, including without limitation, the Trust and Retention Account and the Retention Accounts (or any account in substitution thereof) that may be opened in terms hereof and of project documents and in all funds from time to time deposited therein and in all Authorised Investments or other securities representing all amounts credited thereto (v) First charge on all intangibles

S. No.	Agreement with Lender	Nature of borrowing/ Debt	Amount Sanctioned	Outstanding as of September 30, 2009	Repayment and Interest	Security
					Rate linked to SBAR * In the event of default in payment of any instalment of principal of the Loan, interest to, other monies becoming due on their respective dates, the company shall have to pay: (a) to the lenders other than SBI at the rate of 1% p.a. and (b) to SBI at the rate of 2% p.a. on the Loans and outstanding amount payables for the period of such default.	of the Borrower including but not limited to intellectual property rights, goodwill, rights, undertakings and uncalled capital, present and future (vi) First charge by assignment of security in all right, title, interest, benefits, claims and demands whatsoever of the Borrower in the Project Documents, Government approvals, any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents, under all Insurance Contracts, Letter of Credit or any other form of security provided by the beneficiary thereof in favour of the Borrower (vii) Pledge of equity shares aggregating to 51% of paid up and voting equity share capital of the Borrower till the Final Settlement Date.

Under these agreements the company taking the loan has to:

i. inform Lender of any action taken by any creditor against the Company of an application of winding up or any other notice filed which may affect the title to the Company's properties.

ii. inform the corporation of any adverse change in profits or any factors adversely affecting production.

iii. keep the properties insured.

iv. maintain all accounts and audit.

v. install and maintain an accounting and cost control system.

Also, the Company/Subsidiaries cannot, without the approval of the lenders:

i. change the management or control of the Company.

ii. alter MoA and AoA.

iii. undertake new projects, diversification, modernization or substantial expansion of the Project, without prior permission of the Corporation.

iv. issue any debentures, raise any loans, accept deposits from public, issue equity or preference capital, change its capital structure or create any charge on its assets or give any guarantees without the prior approval of the Corporation, except those done in the ordinary course of business.

v. prepay any other loans.

vi. pay commission to its promoters, directors, managers or other persons for furnishing guarantees or indemnities or for undertaking any other liability.

vii. declare any dividend

viii. create any subsidiaries

ix. undertake any merger, consolidation, reorganisation, scheme or arrangement or compromise with its creditors or shareholders.

x. make any investments

xi. revalue its assets

xii. undertake any other activity than present trading activity.

xiii. amend the project agreements.

xiv. suspend or terminate or act in any manner which would entitle the contractors to terminate the contracts.

xv. create any charges on all or any of their properties and assets during currency of loan.

xvi. pull down or remove any building which is part of the specifically mortgaged premises unless restored forthwith or replaced with a similar value.

xvii. sell or dispose of mortgage premises.

Loan for buying additional premises

JSWSL, JSWPTC, Windsor Residency Private Limited (collectively the "Borrowers") and Punjab National Bank have entered into an agreement on December 29, 2007 whereby PNB has agreed to grant a loan of Rs. 3,600 million. The repayment is to be made in 40 equal quarterly instalments, with the first instalments falling on October 31, 2009. As security for the loan the Borrowers have agreed to create a mortgage over the properties, the development for which the loan is being taken. Windsor Residency Private Limited has also agreed to submit a corporate guarantee of Rs. 1,400 million as additional security for repayment of its share of loan. The amount drawn down as of September 30, 2009 by JSWPTC is Rs. 600 million and the amount outstanding for this loan is Rs. 599.70 million.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, our subsidiaries, our Directors, our Promoter and our Group Companies and there are no defaults, non payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by the Company and its Subsidiary, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of the Company and its subsidiary and no disciplinary action has been taken by SEBI or any stock exchanges against the Company, its Subsidiary, its Promoters, Group Companies and Directors.

I. Litigation involving the Company

Cases against the Company

Cases in the High Court

1. JSWEL, entered into an-off shore contract with Raytheon Ebasco Overseas Limited ("REOL") for supply of equipments and related services. REOL had submitted that taxes were not to be deducted on payment of certain portion and provided confirmation that any financial liability arising from non deduction of tax would be borne by REOL. Demands were raised by Income Tax Department with respect to the payments made to REOL under the contract for non deduction of tax at source from the payments made. Penalty proceedings were also initiated by the IT department and a penalty order was passed. In accordance with the contract between JSWEL and REOL, REOL had given a performance bond of USD 7.739 million to JSWEL. JSWEL intended to invoke the bond to make necessary payments to the IT Department. REOL objected to the recovery and initiated legal proceedings against JSWEL which were carried to the Supreme Court and by a consent order dated February 24, 1999 the Supreme Court directed JSWEL to encash the performance bank guarantee to the extent required to satisfy the demands raised by the IT Department. The Court also directed that in the event JSWEL was successful in its appeal filed against the levy of the penalty and interest orders of the income tax authorities and any amounts are refunded back, the amounts should be repatriated to REOL. JSWEL filed an appeal before Income Tax Appellate Tribunal ("ITAT") against the levy of penalty and base tax, which was rejected by ITAT to the extent of the base tax against which an appeal was filed by JSWEL before the High Court of Karnataka. The High Court allowed the appeal partly and ordered that JSWEL would be entitled to refund of base tax towards the payment of technical services to REOL. On August 24, 2009, JSWEL and REOL have filed five special leave applications before the Supreme Court in relation to the claims disallowed by the High Court of Karnataka with respect to the base tax and interest. On October 23, 2009, Supreme Court passed an order issuing notice to the IT Department requiring them to appear before the Supreme Court and to show cause as to why the special leave applications should not be admitted and allowed in favour of JSWEL/REOL. ITAT passed an order setting aside the penalty order and in terms of the order, a sum of Rs. 233.20 Million was refunded by the IT Department to JSWEL. The IT Department has filed an appeal before the High Court of Karnataka which is pending.

2. A writ appeal has been filed by the State of Karnataka before the High Court of Karnataka against the Company and others challenging the order dated March 29, 2007 passed by the single judge of the High Court in the writ petitions filed by the Company and others. The Government of Karnataka ("GoK") enacted the Karnataka Special Tax on Entry of Certain Goods Act, 2004 vide a notification dated September 20, 2004. In pursuance of the said Act, the GoK issued another notification dated September 30, 2004 specifying 23 entries containing various goods for levy of Special Entry Tax with effect from October 1, 2004. The Company and others filed writ petitions challenging the validity of the Act on the ground that the same is arbitrary and discriminatory as it authorized levy of tax only on notified goods that are brought into the local area from outside the State of Karnataka and was violative of Article 301 and 304 (a) of the Constitution. The High Court by its order dated March 29, 2007 declared Section 3 of the Karnataka Special Tax on Entry of certain Goods into Local Areas Act, 2004 to be unconstitutional and in contravention of Article 304 (a) and (b) of the Constitution violating Article 301 of the Constitution of India. GoK has filed this writ appeal against the said order. The matter is currently pending

Civil Cases before Income Tax Department

1. JSWEL had received a Notice of Demand dated December 31, 2008 for Assessment Year 2006-07 under section 156 of the Income Tax Act, 1961 for Rs.13.25 million arising from certain adjustments made by the Assistant Commissioner of Income Tax ("ACIT"). JSWEL has filed an appeal before Commissioner of Income Tax – Appeals ("CIT (A)") disputing the tax demand of Rs.13.25 million. The demand is arising on account of (i) interest due to delay in payment of tax on deferred tax liability ("DTL") on computing book profits; (ii) disallowance of expenditure under section 14A of the Income Tax Act, as the income related to such expenses being not includible in the total income and (iii) addition of provision for wealth tax and fringe benefit tax for the computation of book profit. JSWEL has (i) filed rectification application under section 154 of the Income Tax Act, 1961 with ACIT to rectify the order to the extent of minimum alternate tax ("MAT") demand on fringe benefit tax and wealth tax (Rs. 0.10 million) and (ii) filed a petition before Chief Commissioner of Income Tax ("CCIT") for waiver of interest demand under section 234B of the Income Tax Act arising due to retrospective amendment of adding back DTL for computation of MAT on book profit (Rs.2.9 million). JSWEL had deposited Rs. 10.22 million on expiry of the stay period allowed by the ACIT. The appeal is currently pending.

2. JSWEL has received a Notice of Demand dated December 31, 2007 for Assessment Year 2005-06 under section 156 of the Income Tax Act, 1961 for Rs.34.55 million arising from certain adjustments made by the Assistant Commissioner of Income Tax ("ACIT"). JSWEL has filed an appeal before Commissioner of Income Tax – Appeals ("CIT (A)") disputing the tax demand. The demand is arising on account of (i) addition of Deferred Tax liability ("DTL") in the computation of book profit; (ii) addition of Debenture Redemption Reserve in the computation of book profit; (iii) disallowance of provision for phased overhaul and (iv) disallowance of expenditure under section 14A of the Income Tax Act, as the income related to such expenses being not includible in the total income. JSWEL had already deposited the above amount on expiry of the stay period allowed by the ACIT. The appeal is currently pending.

Cases by the Company

Cases at the Supreme Court

JSWEL signed a PPA with KPTCL on November 7, 2000, which was valid for 5 years from August 1, 2000. JSWEL contended that the PPA does not require approval from the Karnataka Electricity Regulatory Commission as a Government Order fixing the tariff was passed. However, KPTCL preferred to obtain KERC's approval and forwarded the PPA to KERC. KERC took 18 months to process the request and passed an order on May 22, 2002 directing KPTCL to re-negotiate with JSWEL on certain norms and standards.

Pursuant to the order, KPTCL called JSWEL for negotiations. However, the parties could not come to a mutual arrangement. Accordingly, KPTCL sought further orders from KERC which gave its final order revising the tariffs to those lower than the rates fixed in the PPA.

JSWEL filed an appeal against KERC's order in the High Court of Karnataka which passed an interim order stating that KPTCL can recover computed arrears for the period from August 1, 2000 to October 31, 2002 in 10 instalments and that the payments from November 2002 shall be made at the rate of Rs. 2.48 per unit. JSWEL filed a memo before the Karnataka High Court seeking clarifications from the court on interpretation of the order. The Court passed its final order setting aside KERC's orders and directed KPTCL to pay the difference in tariff for the period August 1, 2000 to March 31, 2004, amounting to Rs 1,050 million.

KPTCL and KERC filed a special leave petitions before the Supreme Court challenging the order. The Supreme Court tagged the SLPs together. JSWEL filed a counter affidavit to the SLP filed by KERC. During the hearing, Supreme Court opined that the matter involves questions of larger importance and that these SLP be tagged along with similar cases pending before the other benches and the matter be referred to Chief Justice of India for constitution of a larger bench to deal with these SLPs. JSWEL filed an interim application for early hearing and interim relief. An interim order was passed by the Court, directing KPTCL to make a payment of Rs. 500 million by March 1, 2007 and another Rs. 500 million by April 1, 2007 against JSWEL furnishing a bank guarantee in respect of the amount so deposited. KPTCL has since made the payment and JSWEL has furnished a bank guarantee for the same. The matter is pending disposal in the

Supreme Court.

Cases in the High Court

1. The Bellary Urban Development Authority ("BUDA") under Karnataka Town and Country Planning Act directed JSWEL to pay a sum of Rs. 9.05 million towards betterment charges on the ground that there was change in use/development of land/building at Toranagallu, Bellary district. The levy was disputed by JSWEL on the ground that there was no change in the usage of the land from the time of its allotment. BUDA did not agree with the same and served a notice of seal on the office premises of JSWEL at Toranagallu. JSWEL filed a writ petition in the High Court of Karnataka, wherein, the High Court by its interim order ordered JSWEL to pay Rs. 3 million to BUDA as interim measure and directed BUDA to redeliver the possession of the property to JSWEL. The matter is pending disposal in the High Court.

2. JSWEL filed two writ petitions in 2003 challenging the levy of interest under section 234B and 234C of the Income Tax Act for non payment of advance tax aggregating to Rs. 11.66 million for two assessment years. JSWEL disputed the same on the ground that the liability to pay advance tax fastened on JSWEL after the completion of the year due to a retrospective amendment to section 115JB of the Act and that it was impossible to comply with this provision as the due date for payment of advance tax had already expired by the time amendment to Section 115JB was given effect to. The Karnataka High Court by its interim orders stayed the recovery of demands raised by the IT department, subject to JSWEL depositing Rs. 5.50 million for demands raised by the department. The High Court by its order dismissed both the writ petitions. JSWEL filed a writ appeal in the Karnataka High Court against this and the Court stayed further recovery of the interest amount, provided JSWEL provide bank guarantees. JSWEL has issued a bank guarantee for the balance amount of Rs. 6.16 millions. However, the IT department recovered the balance interest amount from the refunds that were due to JSWEL and has returned the bank guarantees. The final hearing of the appeal is pending.

II. Cases involving the Subsidiaries

A. JSW Energy (Ratnagiri) Limited

Litigation involving JSWERL

High Court

1. A public interest petition was filed by Ratnagiri Jilla Jagruk Manch in the High Court of Bombay on October 5, 2006 challenging the decision of the Maharashtra Pollution Control Board ("MPCB") granting environment clearance to the proposed power project at Jaigarh, Ratnagiri executed by JSWERL, on the grounds that no proper enquiry was conducted, the procedure established by law for public hearing was not followed and that the committee was not properly established. The High Court passed an order directing the MPCB to carry out a survey of the project site in association with the National Environmental Engineering Research Institute ("NEERI") and submit its report. Accordingly, a report was submitted. The petitioner filed an additional affidavit alleging that the committee of NEERI and MPCB have not considered certain vital environmental aspects of the project and prayed for the appointment of another committee to survey the project site again and submit a report on the impact of power project on the environment. JSWERL has filed its reply. JSWERL has also filed in the High Court the order passed by the National Environment Appellate Authority ("NEAA") on September 12, 2008 which dismissed the appeal filed against JSWERL. The case is currently pending.

2. A petition has been filed in the High Court of Delhi by Balachandra Bhikaji Nalawade, a resident of Ratnagiri, challenging the order passed by the NEAA which dismissed the appeal filed against the environmental clearance given to JSWERL by the MoEF to set up the power project at Ratnagiri. The High Court by way of its judgement dated September 18, 2009 directed the Expert Advisory Committee ("EAC") to re-examine the approval already granted after examining the reports for the power project within three months and ordered that JSWERL shall not operationalise the project and not to integrate with the grid, till separate approval has been granted by EAC. JSWERL filed a clarification petition before the High Court of Delhi and the High Court on October 26, 2009 passed an order permitting JSWERL to integrate the plant with the grid for the limited purpose of undertaking tests and operational trials.

B. Raj WestPower Limited

Litigation involving RWPL

Writ Petitions

1. Five writ petitions have been filed by various parties in the High Court of Rajasthan, against RWPL, seeking to restrain the laying of water pipeline from Mohangarh, Jaisalmer to RWPL's power plants. The matters are currently pending.

2. Mr. Veerma Ram and others have filed a writ petition before the High Court of Rajasthan, against State of Rajasthan, Rajasthan State Mines & Minerals Limited and RWPL challenging the notification dated December 11, 2008 for acquisition of land in the villages namely, Veeram Nagar, Chak Dholka and Jalipa Agor and seeking a direction that the National Policy of Rehabilitation and Resettlement, 2007 be implemented. The matter is currently pending.

Civil Cases

1. Four cases have been filed by certain residents of Ishwarpura Tehsil, Barmer before the Additional District Judge, Barmer against RWPL in relation to payment of compensation with respect to the acquisition of land for RWPL's power plant and an application under Section 18 of the Land Acquisition Act, has been filed. The matter is currently pending.

2. Ms. Laharodevi and others have filed a case before the SDO, Barmer against Mr. Pannaram, RWPL and others challenging the acquisition of land for Kapurdi mines. The matter is currently pending.

3. Mr. Premaram and others, residents of Jalipa village in Barmer have filed a case before the Additional Civil Judicial Magistrate, Barmer against RWPL and others, challenging the acquisition of the land in Jalipa village and seeking an injunction on the order issued by the Collector, Barmer in relation to the acquisition of the land. The matter is currently pending.

III. Cases involving the Directors

Mr. D.J. Balaji Rao

Mr. Anand Shah has filed a petition before the Company Law Board, Mumbai against CMI FPE Limited, its officers and directors, including Mr. D.J. Balaji Rao and CMI Limited Belgium. Mr. Shah has alleged oppression and mismanagement and has alleged that the accounts of CMI FPE Limited are manipulated and misleading. CMI FPE has challenged the maintainability of the petition.

IV. Cases involving the Promoters

A. Sun Investments Private Limited

Litigation involving SIPL

Cases filed against SIPL

1. There are two appeals filed in the High Court of Delhi by the Income Tax Department against the Income Tax Appellate Tribunal's order favouring SIPL. The total amount involved in these cases is Rs. 46.59 million.

2. Income Tax Department has filed an appeal before the Income Tax Appellate Tribunal, New Delhi against the order passed by the Commissioner of Income Tax (Appeals) wherein certain disallowances and demands made by Income Tax Department were struck down by the Commissioner of Income Tax (Appeals). The matter is currently pending.

Cases filed by SIPL

1. There are three appeals filed before the Commissioner of Income Tax (Appeals) by SIPL against certain disallowances and demands made by the Income Tax Department. The total amount involved in these cases is Rs. 7.30 million.

2. Two writ petitions have been filed by SIPL before the High Court of Delhi against the reassessment proceedings initiated by the Income Tax Department. The matters are currently pending.

3. An appeal has been filed before the Commissioner of Central Excise (Appeals) by SIPL against a notice of the Service Tax Department. The total amount involved in this case is Rs. 0.60 million.

B. JSW Investments Private Limited

As on March 31, 2009, JSWIPL has incurred an arrear of Rs. 7.79 million on the dividend payable on 8% cumulative optionally convertible preference shares.

V. Cases involving the Group Companies

Except for the litigation in which the Company is also a party, none of the litigation against Group Companies is likely to have any adverse effect on the financial performance of the Company.

1. Jindal Steel & Power Limited

Cases filed against JSPL

Excise:

1. 12 appeals have been filed by various excise authorities against JSPL challenging the orders passed in favour of JSPL on various grounds under excise laws. The aggregate amount involved in these matters is Rs. 18.33 million. The matters are currently pending.

2. Two notices have been issued by Commissioner, Raipur to JSPL seeking explanation on difference between number of HDPE bags procured and sale of sponge iron and undervaluation of finished products sold to sister concern. The aggregate amount involved in these matters is Rs. 1,455.53 million. The matters are currently pending.

3. The Excise Department has filed an appeal before CESTAT against JSPL challenging the order dated July 26, 2007 passed by the Commissioner Appeals –I (Raipur). The case relates to utilisation of cenvat credit for payment of service tax on GTA during the period between January 2005 and March 2005. The matter is currently pending.

Service Tax

Two appeals have been filed by service tax authorities against JSPL challenging the orders passed in favour of JSPL, in relation to disputes over liability to pay service tax for different services provided. The aggregate amount involved in these matters is Rs. 6.27 million. The matters are currently pending.

Customs

Two notices have been issued by the Assistant Commissioner of Customs, Kolkata against JSPL in relation to availing exemption under target plus scheme on goods imported. The Assistant Commissioner has demanded end use certificates for these imported goods. The aggregate amount involved in these matters is Rs. 5.20 million. The matters are currently pending.

Cases in the High Court

1. Three appeals have been filed by the excise department before various High Courts against JSPL, challenging the orders passed in favour of JSPL in relation to availment of modvat credit and payment of

excise duty. The aggregate amount involved in these cases is Rs. 1.39 million. The matters are currently pending.

2. Six writ petitions have been filed by various contractors before the High Court of Orissa against JSPL for recovery of royalty on cutting and filling of earth and royalty on work done by them. The aggregate amount involved in these cases is Rs. 54.56 million. These matters are currently pending.

3. Three appeals have been filed before the High Court of Chhattisgarh by various persons against JSPL in relation to the payment of compensation under Workmen's Compensation Act. The matters are currently pending.

4. Mr. Yogendra Patel has filed a writ petition before the High Court of Chhattisgarh against JSPL in relation to enhancement of the value of the land acquired by the State Government against the order of the Collector of Land Acquisition. The matter is currently pending.

5. Mr. Ramesh Aggarwal has filed a writ petition before the High Court of Chhattisgarh against JSPL, in relation to the public hearing conducted for the expansion of the plant. The matter is currently pending.

6. 11 writ petitions have been filed by various persons before High Court of Chhattisgarh against JSPL, in relation to land acquisition matters. The matters are currently pending.

7. Mr. Tej Kumar Patel has filed a writ appeal before High Court of Chhattisgarh against JSPL, in relation to land acquisition matters. The matter is currently pending.

8. Mr. Surender Kumar Patel has filed a writ petition before the High Court of Chhattisgarh against over head electricity line ("OHE"). The matter is currently pending.

Cases in Supreme Court

1. Commissioner of Income Tax ("CIT") has filed a Special Leave Petition before the Supreme Court against JSPL, against the order of the High Court of Punjab & Haryana towards returns submitted by JSPL showing loss of profit due to depreciation of certain assets while disposing the same towards assessment year 2001-2002. The matter is currently pending.

2. State of Chhattisgarh has filed a Special Leave Petition before the Supreme Court against the judgment dated December 15, 2006 passed by the High Court of Chhattisgarh. The issue pertains to the legislative competence in respect of imposition of energy development cess ("Cess") at the rate of 10 paisa per unit on sale or supply of electricity. The High Court of Chhattisgarh struck down the same on the ground of discrimination to the extent that the captive power producers are being charged Cess while independent power producers are not. The amount involved in the case is Rs. 609.37 million. The matter is currently pending.

3. State of Orissa has filed a Special Leave Petition before the Supreme Court against JSPL and others those who approached the High Court of Orissa, against the judgment and order of the High Court of Orissa declaring Orissa Rural Infrastructure and Socio-Economic Development ("ORISED") Act, 2004 as ultra – vires and striking down the ORISED Act, 2004 and there by directing that the State Government cannot collect Cess on mining leased land. The matter is currently pending.

Miscellaneous

1. The Deputy Director of Mines, Koira has issued demand of interest against JSPL for the delay in payment of royalty of Rs. 13.30 million for the period from November 1992 to March, 1999. JSPL has submitted its reply to the said demand. The matter is currently pending.

2. A suit has been filed by Mr. Amol Popat Ghadage and others before District Court, Satara against JSPL for seeking a permanent injunction restraining JSPL from using the property bearing Gat No. 1018, situated at Village Pachwad in district Satara which was purchased by JSPL. The amount involved in this case is Rs. 0.218 million. The matter is currently pending.

3. Adivasi Majdoor Kisan Ekta Sangathan has filed an appeal before the National Environment Appellate Tribunal against JSPL, challenging the environmental clearance granted to JSPL's coal mines. The matter is currently pending.

4. NCA has initiated arbitration proceedings against Transglobal Metal FZE and JSPL before London Court of International Arbitration claiming breach of the terms of the agreement between them for the non-lifting of Coking Coal. The matter is currently pending.

Cases filed by JSPL

Excise:

JSPL has filed 36 appeals before various excise authorities and tribunals challenging the demands made by the authorities for payment of excise duty. The aggregate amount involved in these cases is Rs. 2,580.07 million. The matters are currently pending.

Service Tax

An appeal has been filed by JSPL challenging the service tax charged on the commission received by vice chairman and chief executive officer as appearing in the balance sheets of JSPL for the years 2005-06 and 2006-07. The aggregate amount involved in these cases is Rs. 0.36 million. The matter is currently pending.

Income Tax:

JSPL has filed six appeals before various courts and tribunals in relation to the assessment of income tax. The aggregate amount involved in these matters is Rs. 1,098.10 million. The matters are currently pending.

Sales Tax:

JSPL has filed five appeals before various sales tax authorities and tribunals challenging the imposition of sales tax. The aggregate amount involved in these matters is Rs. 32.35 million. The matters are currently pending.

Cases in the High Court

1. JSPL has filed an appeal before the High Court of Chhattisgarh against the order passed by the Excise Tribunal, disallowing the modvat credit on explosives used in coal mines during the period between August 2002 and March 2003. The amount involved in the case is Rs. 3.01 million. The matter is currently pending.

2. JSPL has filed an appeal before the High Court of Chhattisgarh against the order passed by the Commissioner, Central Excise demanding excise duty on two induction furnaces. The amount involved in the case is Rs. 15.50 million. The matter is currently pending.

3. JSPL has filed writ petition before the High Court of Chhattisgarh against the order dated June 28, 2008 passed by APTEL against the demand raised for electricity duty on auxiliary consumption of electricity generated. The amount involved in the case is Rs. 16.5 million. The matter is currently pending

4. JSPL has filed execution petition before the High Court of Delhi against the decree dated March 2, 2006 passed by the High Court of Delhi in Civil Suit No.691/2005 against M/s Tecon Projects for recovery of outstanding amounts. The amount involved in the case is Rs. 2.15 million. The matter is currently pending

5. JSPL has filed writ petition at the High Court of Chhattisgarh against the order dated June 28, 2008 of the Appellate Authority, Department of Energy and the demand notices dated July 14, 2008 and July 15, 2008 for payment of electricity duty on power supplied to the units in the Jindal Industrial Park. The amount involved in the case is Rs. 23.5 million. The matter is currently pending.

6. JSPL has filed a petition in the High Court of Ahmedabad against Shah Alloys Limited for recovery of Rs. 11 million. The matter is currently pending.

7. JSPL has filed a writ petition before the High Court of Delhi challenging the procurement of rails by the Indian Railways. The matter is currently pending.

8. JSPL has filed a writ petition before the High Court of Chhattisgarh for stay of criminal proceedings in the lower court filed by the State Government, Chhattisgarh based on the complaint filed by a private person alleging disrespect to the National Flag of India. The matter is currently pending.

9. JSPL has filed a petition before the High Court of Delhi under section 11 of the Arbitration Act for appointment of arbitrator on behalf of Mr. N. S. Atwal. The amount involved in the matter is Rs. 56.01 million. The matter is currently pending.

10. JSPL has filed a petition before the High Court of Delhi against Mr. N.S. Natwal in relation to attachment of property under section 9 of the Arbitration Act. The matter is currently pending.

11. Nine petitions have been filed by JSPL before various High Courts against various persons, in relation to payment of railway penalty. The aggregate amount involved in these matters is Rs. 12.93 million. The matters are currently pending.

Miscellaneous

1. JSPL has initiated three complaint cases before the Patiala House Courts and the Raipur District Court against various persons under Section 138 of the Negotiable Instruments Act in relation to dishonour of cheques. The amount involved in the case is Rs. 4.09 million. The matter is currently pending.

2. JSPL has filed five cases in various courts against various parties for the recovery of outstanding dues. The aggregate amount involved in these cases is Rs. 20.90 million. The matters are currently pending.

3. JSPL has filed a complaint petition against Steel Authority of India ("SAIL") before the Competition Commission of India, New Delhi, under the Competition Act, as SAIL is dominating the rail market with Indian Railways by supplying the rails 96% of the total requirement exclusively without competitive bidding and not allowing JSPL to enter in the relevant market in India. The matter is currently pending.

2. JSW Steel Limited

Cases filed against JSWSL

SEBI Related Cases

A penalty was levied on erstwhile JISCO (now merged with JSWSL) under Section 15A of the SEBI Act aggregating to Rs. 0.13 million for non-submission of periodical disclosures required to be made to the stock exchanges under regulation 6(2), 6(4) and 8(3) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997. JISCO agreed for a settlement by consent order with a request to reduce the penalty amount to Rs. 0.10 million on the grounds that it had complied with the regulations for the year 2001. The order of the adjudicating officer appointed by SEBI is awaited.

Notices issued against JSWSL

13 show cause cum demand notices were issued by the Central Excise Department demanding Rs. 323.70 million in respect of various grounds in connection with the levy of service tax. The matters are pending disposal.

Consumer Cases

13 cases have been filed in various consumer redressal forums across India which are filed in connection with share transfer, demat, non receipt of share certificates by certain individuals, etc. The total amount involved in these matters is Rs. 0.57 million. The cases are at various stages of adjudication.

Income Tax

A writ petition was filed in the High Court of Karnataka by a company, BSAL against the Income Tax

Authorities and JSWSL seeking stay of operation of the notice sent by the Income Tax Department where it directed JSWSL not to make any payment to it. The High Court has stayed the operation of the notice of the Income Tax Department. The amount involved is Rs. 21.74 million. The petition is still pending.

Central Excise

JSWSL has received 27 show cause notices from the central excise authorities on various grounds under excise law. The amounts involved in these cases are Rs. 742.10 million. All the matters are pending adjudication.

Sales Tax

Seven show cause cum demand notices were issued by the Commercial Tax Department demanding Rs. 393 million in respect of levy of tax for non submission C/F forms, etc,. The matters are pending for disposal.

Cases in the Supreme Court

Three appeals have been filed by the Central Excise Department before the Supreme Court of India against orders passed by the CESTAT giving relief to JSWSL on various grounds under excise law. The total amount involved in these cases is Rs. 146.20 million.

Cases in the High Court

1. Two appeals have been filed by the Central Excise Department before the High Court of Karnataka against the decisions rendered by CESTAT in favour of JSWSL on various grounds under excise law. The total amount involved in these appeals is Rs. 760.50 million. The matters are currently pending.

2. An appeal has been filed by the Customs Department before the High Court of Karnataka against the order passed by the Single Judge of the High Court granting refund of Rs. 130.70 million to JSWSL. JSWSL has already received an amount of Rs. 47.80 million in this regard. The matter is currently pending.

3. Oriental Insurance Company has filed an application before the High Court of Bombay to set aside the arbitral award dated June 16, 2007 passed by the arbitral tribunal in favour of JSWSL. JSWSL had initiated arbitration proceedings against Oriental Insurance Company claiming an amount of Rs. 101.97 million and further interest thereon. The tribunal passed the award entitling JSWSL for an amount of Rs. 63.95 million, against which Oriental Insurance Company has preferred an application under section 34 of the Arbitration and Conciliation Act, 1996. The application is currently pending.

4. The State of Karnataka has filed an appeal before the High Court of Karnataka challenging the order of the single bench of the High Court, which quashed the Karnataka Special Tax on Entry of Certain Goods Act, 2004. The single bench of the High Court passed the order in a writ petition filed by JSWSL challenging the constitutional validity of the Karnataka Special Tax on Entry of Certain Goods Act, 2004 and levy of tax under the said Act. The amount involved in the matter is Rs.580 million. JSWSL has already paid an amount of Rs. 3.10 million, the refund of which has been stayed. The appeal is currently pending.

Customs Cases

JSWSL has received 15 show cause notices from the Customs Authorities demanding duty amount on various grounds and allegations. The total amount involved in Rs. 1,593.90 million. The show cause notices are pending adjudication.

Criminal Case

A criminal case was filed by the Regional officer of MPCB against JSWSL for commissioning a captive power plant without obtaining the necessary environmental clearance. JSWSL and the concerned individuals have been granted bail from the Chief Judicial Magistrate Thane. JSWSL has submitted its written submissions and has filed an application for its discharge. The arguments of both parties on the discharge applications are completed and the decision of the court is pending.

Civil Cases

1. A civil suit was filed by Mewar Growth Limited in the High Court of Calcutta seeking declaration as the absolute owners of 916,860 equity shares of Bank of Rajasthan valued at Rs. 19.25 million and that the purported transfer and/or sale of the shares in the name of the Company is null and void. The suit is pending for final disposal.

2. An original application was filed by a consortium of banks against Bellary Steel and Alloys Limited ("BSAL") in Debt Recovery Tribunal ("DRT") seeking various sums from BSAL and others. JSWSL is arrayed as garnishee. DRT issued a notice to JSWSL to show cause as to why JSWSL as a sundry debtor of BSAL should not be directed to deposit a sum of Rs. 3.00 million prayed for. The case has currently been stayed as BSAL is before the BIFR.

Miscellaneous

Due to economic slowdown JSWSL and certain of its subsidiaries were unable to comply with certain financial maintenance and other covenants contained in certain loan agreements. The deviations in adherence to covenants in loan agreements also resulted in non-compliance in terms of the Trust Deed executed in connection with the issue of foreign currency convertible bonds by JSWSL. JSWSL has approached its lenders to obtain waivers of past default with respect to these credit facilities (and where appropriate, relaxation of the relevant covenants). JSWSL has obtained necessary waivers and/or amendments from some lenders and is in the process of obtaining the approvals/amendments from the other lenders. There is no likely adverse effect of such non-compliance on the financial performance of the Company.

Cases filed by JSWSL

Income Tax Cases

15 appeals have been filed before various income tax authorities, disputing the orders passed against JSWSL, with respect to various additions/ disallowances made in computing the income of JSWSL. The total amount involved in these cases is Rs. 1,959.30 million. All the cases are currently pending.

Central Excise

JSWSL has filed 13 appeals in the CESTAT against the orders of confirmation of duties and penalty by the commissioner passed by them. The total duty amount demanded in these 13 appeals is Rs. 798.80 million. All the appeals are pending for disposal.

Sales Tax Cases

JSWSL has filed three sales tax appeals before the Joint Commissioner of Sales Tax. The total amount involved in these cases is Rs. 3.50 million. The appeals are pending disposal.

Commercial Tax

JSWSL received the notice from the Deputy Commissioner of Commercial Taxes upon which an appeal has been preferred, for rectification as there were certain errors in the assessment order. However, as the order in the rectification appeal was not forthcoming within the limitation period for filing an appeal, JSWSL has filed another appeal against the order passed by the Deputy Commissioner of Commercial Taxes. This appeal was withdrawn by JSWSL expecting that a rectification order would be passed by the Deputy Commissioner. The rectification order was passed in July 2005, rectifying only certain errors. JSWSL filed an application before the Joint Commissioner for restoration of the appeal. The same is currently pending. The amount involved is Rs. 32.00 million.

Customs Cases

Two appeals have been filed by JSWSL against the decisions rendered by Commissioner of Customs on levy on customs duty amounting to Rs. 1,318.50 million. The matters are currently pending.

Cases in the Supreme Court

1. JSWSL has filed a special leave petition before the Supreme Court against the order dated January 30, 2008 passed by the High Court of Karnataka in appeal No.150/2003 filed by the Commissioner of Income Tax, Bangalore. The appeal before the High Court was filed against the order dated November 12, 2002 passed by the Income Tax Appellate Tribunal, Bangalore in ITA No.582/Bang/1997 for the assessment year 1995-96. The special leave petition was taken up for hearing on July 9, 2008 and the Supreme Court ordered to issue notices to the Income Tax Department and stayed further proceedings on the order passed by the High Court. The Income Tax Department filed its counter affidavit on March 16, 2009. The amount involved in this matter is Rs. 109.90 million. The matter is currently pending.

2. JSWSL has filed a special leave petition before the Supreme Court against the order passed by the CESTAT in relation to the de-bonding of goods kept in the private warehouse of JSWSL. The amount involved in the matter is Rs. 37.80 million. The matter is currently pending.

Cases in the High Court

1. An appeal has been filed against an order passed by CESTAT confirming the penalty imposed by the DGFT in the import of the materials under EPCG license by JSWSL. The amount involved is Rs. 0.50 million and is pending before Delhi High Court.

2. An appeal is filed in the Karnataka High Court against the order of CESTAT confirming the order of commissioner of appeals and the demand raised by the department of Rs. 4.31 millions.

3. An appeal was filed in the Bombay High Court by JSWSL against an order of the District Court of Kalyan permitting Murbad Gas Company to recover Rs. 0.78 million towards the cost of 108 empty cylinders. The High Court stayed the execution proceedings and directed JSWSL to deposit the decretal amount of Rs. 0.78 million along with interest. The direction of the court was compiled by JSWSL. The matter is currently pending.

4. Two criminal writ petitions were filed by JSWSL in the High Court of Bombay against complaints filed by the Enforcement Officers for non payment of Rs. 0.90 million as penalty. JSWSL filed an application against the order of penalty in the Foreign Exchange Appellate Board. The High Court has stayed the operation of the criminal proceedings against JSWSL. The matters are currently pending.

5. JSWSL had filed a writ petition before the High Court of Karnataka seeking to quash the notification of No. 69 of 2000 dated May 19, 2000 on the ground that it makes a distinction between importers and manufacturers of pig iron and steel on the basis of processes adopted and restricts applicability only to manufactures of pig iron and steel using blast furnace. The case was transferred to the Supreme Court to be considered together with the writ petition filed by Tata Chemicals Limited before the Supreme Court for quashing the said notification. On an application by JSWSL, the Supreme Court remanded the case back to the High Court in view of the fact that the writ petition filed by Tata Chemical Limited was withdrawn. The amount involved is Rs 492.00 million and the matter is pending before the High Court.

6. A writ petition was filed by JSWSL before the High Court of Bombay in relation to the rebate of education cess on exports granted for the period from July 10, 2004 to September 5, 2004 which was demanded back by Central Excise authorities, Thane on the ground that education cess is not rebatable during the said period. The writ petition is currently pending.

Civil Cases

1. JSWSL has filed seven summary suits in the High Court of Bombay for the recovery of Rs. 24.93 million from various parties. The cases are at various stages of disposal.

2. JSWSL has filed four civil suits and two company petitions in the High Court of Bombay for the recovery of sum of Rs. 250.20 million from various parties. The cases are at various stages of disposal.

Criminal Cases

1. JSWSL has filed 13 cases under section 138 of the Negotiable Instruments Act against various parties for

issuing cheques to JSWSL towards the discharge of their liability for the purchase of the material from JSWSL. The cases are filed in different courts and are at various stages of adjudication. The total amount involved in these cases is Rs. 109.60 million.

2. A criminal complaint was filed by JSWSL for the materials stolen from a truck delivering goods. Investigations in the matter are still in progress.

Labour Cases

1. Four appeals have been filed by JSWSL against orders passed by the Assistant Provident Fund Commissioner and Provident Fund Commissioner. The orders passed by them have been stayed by the High Court of Karnataka. The cases involve Rs. 1.60 million and are currently pending.

2. Mr. Jagan Singh, whose service was terminated due to loss of confidence has filed a case in the Civil Court, Kalyan against JSWSL. Mr. Singh had filed a case in the Industrial Court, Thane against JSWSL demanding re-instatement of his service, which was rejected by the Industrial Court. Mr. Singh has filed this case claiming damages amounting to Rs. 0.70 million on account of his illegal termination. The case is currently pending.

3. Various cases of miscellaneous nature involving disputes amounting to Rs. 203.70 million pending in different forums.

3. Jindal Saw Limited

Cases filed against JSL

Notices issued to JSL

1. JSL has received ten show cause notices from various Central Excise Authorities on various grounds under excise law. The total amount involved in the matter is Rs. 125.10 million. The matters are pending adjudication.

2. JSL has received four show cause notices from various Customs Authorities on various grounds under customs laws. The total amount involved in these matters is Rs. 23.90 million. The matters are pending adjudication.

3. JSL has received eight show cause notices from the Service Tax Department. The total amount involved in these matters is Rs. 31.70 million. The matters are pending adjudication.

4. JSL has received a notice of demand from the Sales Tax Department for an amount of Rs. 4.70 million under the Gujarat Sales Tax laws. The matter is pending adjudication.

5. Income Tax Department has filed an appeal before the Income Tax Appellate Tribunal, New Delhi against JSL challenging the order passed by the Commissioner of Income Tax (Appeals) wherein certain disallowances made by the Income Tax Department were struck down by the Commissioner of Income Tax (Appeals). The amount involved in the matter is Rs. 9.62 million. The matter is currently pending.

6. Income Tax Department has filed five appeals before the High Court, Delhi against the orders passed by Income Tax Appellate Tribunal in favour of JSL. The aggregate amount involved in these cases is Rs. 163.77 million. The matters are currently pending.

7. Two petitions have been filed before the High Court of Delhi challenging the arbitration awards passed in favour of JSL. The aggregate amount involved in these awards is Rs. 560 million. The matters are currently pending.

Cases filed by JSL

1. JSL has filed three appeals before various income tax authorities challenging the orders passed against JSL in relation to various additions and disallowances made in the assessment of income tax. The aggregate amount involved in these cases is Rs. 89.06 million. The matters are currently pending.

2. JSL has filed four writ petitions before High Court of Delhi in relation to various matters involving cutoms duty, excise duty and sales tax. The aggregate amount involved in these matters is Rs. 583.40 million. The matters are currently pending.

4. JSL Limited

Cases against JSLL

Civil Suits

1. Techno Fab Engineering Services and others have filed a civil suit before the Civil Judge, Navasari, against JSLL and its Managing Director claiming an amount of Rs. 0.94 million with compound interest on account of non-delivery of stainless steel plates against payment made to, and allegedly wrongfully retained by JSLL. The matter is currently pending.

2. Eight cases have been filed by ICICI Lombard General Insurance Company before various civil courts against JSLL and other persons for recovery of money in relation to insurance amount claimed by JSLL on account of losses suffered. The aggregate amount involved in these cases is Rs. 4.20 million. The matters are currently pending.

3. Mr. Anand has filed a civil suit in the Civil Court, Hisar against his father Satbir Singh and JSLL alleging wrongful sale of the agricultural land sold to JSLL by Satbir Singh and that the sale was undervalued. The amount involved in this matter is Rs. 4 million and the matter is currently pending.

4. Two investor suits have been filed against JSLL in relation to the transfer of shares of JSLL. The matters are currently pending.

5. Two cases have been filed against JSLL in relation to provident funds payable to employees. The amount involved is Rs. 17.40 million and the matters are currently pending.

Motor Accident Claims

1. Four appeals have been filed before the High Court of Punjab and Haryana, Chandigarh against JSLL and others against the orders of various MACT in relation to negligent driving by JSLL's drivers. The total amount involved is Rs. 0.21 million and the matters are currently pending.

Central Excise

1. JSLL has received 25 show cause notices on various grounds including disputes on valuation of clearance of HCFC under captive consumption. The aggregate amount involved in these notices is Rs. 31.40 million. The matters are currently pending.

2. The CCE and JSLL have filed cross appeals before the Customs Excise and Service Tax Appellate Tribunal in relation to exemption available to JSLL from payment of excise duty. The total amount involved is Rs. 85.71 million and the matter is currently pending.

Cases in the High Court

1. Ariba India Private Limited has filed a suit in the High Court of Delhi against JSLL for recovery of unpaid payments for its services. The amount involved in the case is Rs. 49.80 million and the matter is currently pending.

2. HSEB has filed two appeals in the High Court of Punjab and Haryana, Chandigarh, against JSLL challenging the orders passed by lower courts. The matters are currently pending.

Cases filed by JSLL

Criminal Proceedings

1. JSLL has filed a criminal complaint before the Judicial Magistrate, Hisar, against Anand Singh for making frivolous and defamatory statements against JSLL in Dainak Jagran. The matter is currently pending.

2. JSLL filed two FIRs against its employees in the Police Station, Sadar, Hisar, alleging fraudulent activities within JSLL and misappropriation of funds amounting to Rs. 3.22 million. The matters are currently pending.

Sales Tax

JSLL has filed three appeals before various Sales Tax Appellate Tribunals for refund of sales tax paid by JSLL on account of disallowance by the Central Tax Officer. The aggregate amount involved in these cases is Rs. 31.63 million. The matters are currently pending.

Civil Suits

1. 13 cases have been filed by JSLL before various Civil Courts against various persons for recovery of money due. The aggregate amount involved in these cases is Rs. 3.55 million. The matters are currently pending.

2. JSLL has filed a suit in the Civil Court, Hisar, against Saw Pipes Limited and Mr. Vinod Baid seeking a permanent injunction restraining Saw Pipes Limited from transferring 0.42 million in shares of JSLL in favour of Mr. Vinod Baid and Company or any other person. The matter is currently pending.

3. JSLL has initiated arbitration proceedings against the Union of India ("UoI") in relation to a breach of an agreement for supply of 2,445 MT ferritic stainless steel coin blanks. The amount involved is Rs. 71.19 million and the matter is currently pending.

Cases in the High Court

1. JSLL has filed an appeal in the High Court of Punjab and Haryana, Chandigarh, against Haryana Electricity Regulatory Commission ("HERC") and Haryana Vidyut Prasaran Nigam Limited against an order passed by HERC directing to stop operations of its CPPs without proper power purchase agreement. The matter is currently pending.

2. JSLL has filed two petitions in the Delhi High Court, against Ariba India Private Limited ("Ariba") in relation to faulty supply of materials and other grounds under an agreement between JSLL and Ariba. The amount involved is Rs. 223.52 million and the matters are currently pending.

3. JSLL has filed two writ petitions in the High Court of Punjab and Haryana, Chandigarh, against an order of the District Town and Country Planner, Hisar to demolish the construction of a club and against the state government to permit transportation of goods by JSLL respectively. The matters are currently pending.

4. JSLL has filed an appeal before the High Court of Punjab and Haryana, Chandigarh against Haryana State Electricity Board ("HSEB") challenging the order passed by the District Judge, Hisar claiming compensation for damages incurred due to disconnection of power supply. The matter is currently pending.

Cases in the Supreme Court

1. JSLL has filed a special leave petition before the Supreme Court of India against an order of High Court of Delhi permitting ICICI Banking Corporation from remitting US$ 0.41 million under a letter of credit to KBC Bank. The matter is currently pending.

Labour Cases

1. JSLL has filed an appeal before the Employees Provident Fund Appellate Tribunal, New Delhi against an order passed by the Assistant Commissioner, Provident Fund, Haryana against JSLL to pay Rs. 0.66 million towards provident fund and family pension fund contributions. The matter is currently pending.

2. JSLL has filed an appeal before the High Court of Punjab and Haryana, Chandigarh against Satbir Singh challenging the order passed by the Commissioner, Workmen Compensation, Hisar allowing a compensation of Rs. 0.10 million due to an accident. The High Court has ordered JSLL to deposit an amount of Rs. 0.16 million. The matter is currently pending.

Cases in foreign courts

JSLL has filed a suit in the High Court of Malaysia at Kuala Lumpur against SPM Metal Recycling SDN BHD ("SPM Metal") claiming that a sum of US$ 1.27 million was paid by JSLL in excess since the scrap supplied by SPM Metal was of an inferior quality to that ordered by JSLL. The matter is currently pending.

5. Jindal Southwest Holdings Limited

Litigation involving JSWHL

Civil Cases

1. JSWHL has filed six suits of recovery in the High Court of Bombay for recovery of money against six private investment companies as these six companies failed to pay the principal amounts and interest to JSWHL for the money invested by it in the optionally convertible bonds floated by the six companies. The amount involved is Rs. 36.14 million. All the suits are pending before the High Court.

2. JSWHL has filed an appeal before the Commissioner of Income Tax (Appeals) against a notice issued by the assessing officer demanding Rs. 3.06 million. JSWHL has already paid Rs. 1.5 million towards the demand.

None of the cases involving the group companies materially affect the Company.

GOVERNMENT 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 approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Red Herring Prospectus.

I. Incorporation Details

1. JSW Energy Limited

- Certificate of Incorporation dated March 10, 1994 issued to Jindal Tractebel Power Company Limited by the Registrar of Companies, Maharashtra.
- Certificate for Commencement of Business dated March 28, 1995 issued to Jindal Tractebel Power Company Limited by the Registrar of Companies, Maharashtra.
- Fresh Certificate of Incorporation Consequent on Change of Name from Jindal Tractebel Power Company Limited to Jindal Thermal Power Company Limited dated January 17, 2002 issued by the Registrar of Companies, Maharashtra.
- Fresh Certificate of Incorporation Consequent on Change of Name from Jindal Thermal Power Company Limited to JSW Energy Limited dated December 7, 2005 issued by the Registrar of Companies, Maharashtra.

2. JSW Energy (Ratnagiri) Limited

- Certificate of Incorporation dated June 30, 2006 issued to JSW Energy (Ratnagiri) Limited by the Registrar of Companies, Maharashtra.
- Certificate for Commencement of Business dated July 25, 2006 issued to JSW Energy (Ratnagiri) Limited by the Registrar of Companies, Maharashtra.

3. Raj WestPower Limited

- Certificate of Incorporation dated January 5, 1996 issued to Raj WestPower Private Limited by the Registrar of Companies, Rajasthan.
- Fresh Certificate of Incorporation Consequent on Change of Name from Raj WestPower Private Limited to Raj WestPower Limited dated October 19, 2006 issued by the Registrar of Companies, Rajasthan.

4. JSW Power Trading Company Limited

- Certificate of Incorporation dated July 8, 2005 issued to JSW Power Trading Company Limited by the Registrar of Companies, Maharashtra.
- Certificate for Commencement of Business dated September 1, 2005 issued to JSW Power Trading Company Limited by the Registrar of Companies, Maharashtra.

5. Jaigad PowerTransco Limited

- Certificate of Incorporation dated April 23, 2008 issued to Jaigad PowerTransco Limited by the Registrar of Companies, Maharashtra.

- Certificate for Commencement of Business dated June 26, 2008 issued to Jaigad PowerTransco Limited by the Registrar of Companies, Maharashtra.

6. PT Param Utama Jaya

Establishment Deed No. 42 dated Lannywaty, in Jakarta September 7, 2006 by Notary Ingrid.

7. JSW Energy (Raigarh) Limited

- Certificate of Incorporation dated August 31, 2009 issued to JSW Energy (Raigarh) Limited by the Registrar of Companies, Maharashtra.

- Certificate for Commencement of Business dated September 25, 2009 issued to JSW Energy (Raigarh) Limited by the Registrar of Companies, Maharashtra.

II. Approvals in relation to the Issue

1. In-principle approval from the National Stock Exchange of India Limited dated September 8, 2009.

2. In-principle approval from the Bombay Stock Exchange Limited dated September 4, 2009.

III. Approvals in relation to our Projects

We are required to obtain certain approvals from the concerned Central / 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 related to development of captive coal block, environmental approvals from the Ministry of Environment and Forests, and chimney height approvals from the Ministry of Defence and Ministry of Civil Aviation;

- Approvals such as consents to establish and operate a project, environmental clearances and authorisations 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 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. We have listed below key approvals that have been obtained or applied for by us along with certain significant approvals that we have identified at this time and that will need to be applied for on a project-by-project basis. The failure to obtain these approvals can result in delays or prevent a project from being commissioned. See “Risk Factors” on page xiii of this Red Herring Prospectus.

1. JSWEL- 260MW Power Project (JSWEL)

- Approval dated, May 9, 1996 issued by Chief Engineer, Thermal Appraisal Division, CEA, for clearance from Central Water Commission for availability of water.

- Approval dated March 22, 1996 issued by Central Electricity Authority, Ministry of Power granting Techno Economic Clearance for the Project.

- Approval dated March 6, 1996 issued by the Karnataka State Pollution Control Board for setting up a new industry for generation of power 2 X 130 MW.

- Approval dated August 2, 1996 issued by the MoEF, Government of India, New Delhi for the project transferring the environmental clearance granted to Jindal Vijayanagar Steel Limited to JSWEL.

- Approval dated April 10, 1995 issued by the National Airports Authority granting NOC for construction of Chimney for the project.

- Application dated December 19, 2007 to the Ministry of Coal for long term coal linkage.

- Consent dated July 9, 2009 issued by the Karnataka State Pollution Control Board for discharge of effluents under the Water (Prevention and Control of Pollution) Act, 1974 and for emissions under the Air (Prevention and Control of Pollution) Act, 1981, valid till June 30, 2011.

- Labour License dated May 9, 1996 issued by Assistant Labour Commissioner and Registering Officer, Bellary Division, Davanagere under Contract Labour Act, 1970.]

2. Vijayanagar Project (JSWEL-SBU II)

- Approval dated July 27, 2006 issued by the Airports Authority of India to JSWEL granting NOC to the construction of the proposed Chimney which is valid for four years.

- Approval dated August 20, 2004 issued by the MoEF granting environmental clearance, to JSWEL, for the setting up 2 x 250 MW Thermal Power Plant, valid for 5 years.

- Approval dated October 12, 2007 issued by the MoEF granting no objection to the environmental clearance to the augmentation of power generation capacity from 2 x 250 MW to 2 x 300 MW and incorporation of company's name as JSWEVL in place of JSWEL, which is valid for 5 years from the date of start of production of operations by the power plant.

- Consent dated July 29, 2009 issued by the Karnataka State Pollution Control Board for discharge of effluents under the Water (Prevention and Control of Pollution) Act, 1974 and for emissions under the Air (Prevention and Control of Pollution) Act, 1981, valid till June 30, 2011.

- Application dated January 5, 2008 to the Ministry of Coal for long term coal linkage.

3. Ratnagiri Project (JSWERL)

- Approval dated March 28, 2007 issued by the Airports Authority of India granting NOC to the construction of the proposed Chimney, which is valid for four years.

- Approval dated October 6, 2006 issued by the MPCB granting consent to establish the project.

- Approval dated May 17, 2007 issued by the MoEF granting environmental clearance for the project, which is valid for five years.

- Approval dated November 15, 2007 issued by the MoEF granting Coastal Regulation Zone clearance for sea water and outfall from the project.

- Approval dated March 28, 2007 issued by the Maharashtra State Electricity Transmission Company Limited for grid connectivity.

- Application dated August 21, 2006 made to the Ministry of Power for grant of the

Mega Power status to the Ratnagiri project.

- Approval dated March 5, 2008 issued by the Directorate of Industrial Safety & Health for the plans of factory building and machinery layout under Factories Act, 1948.

- Approval dated April 23, 2008 issued by Maharashtra Maritime Board for establishment of sea water intake facility at Jaigad, Dist. Ratnagiri.

4. 3200 MW Thermal Power Plant (Ratnagiri, Maharashtra)

- Letter of Support dated January 10, 2008 issued by the Government of Maharashtra to provide administrative support.

- Application dated June 25, 2009 to the MoEF for the approval of the terms of reference for environmental clearance.

5. Raj WestPower (RWPL) Phase-I

- Approval dated July 20, 2007 issued by the MoEF granting environmental clearance under the provisions of EIA Notification, 1994 which is valid for five years.

- Approval dated January 16, 2008 issued by the Airports Authority of India granting NOC to the construction of chimnies at Bhadresh, Rajasthan and is valid for four years.

- Approval dated January 17, 2008 issued by the Ministry of Defence granting NOC to the construction of chimnies at Bhadresh, Rajasthan.

- Approval dated April 4, 2007 from the Labour department.

- Approval dated November 13, 2006 from the Ministry of Coal, GoI, for allotment of Jalipa, Kapurdi, Shivkar and Saccha Sauda lignite blocks to Rajasthan State Mines and Minerals Limited, which is valid for 36 months.

- Consent dated November 9, 2009 from Rajasthan State Pollution Control Board to operate the Unit - I (1X135 MW) at Barmer in Rajasthan under the Air (Prevention and Control of Pollution) Act, 1981 and Water (Prevention and Control of Pollution) Act, 1974, valid till February 28, 2010.

- Approval dated February 16, 2009 issued by the Energy Department, Government of Rajasthan for use of imported coal as an alternate source.

- Letter dated July 15, 2009 from Rajasthan State Mines and Minerals Limited for supply of 1000 MT lignite per day from Matasukh Mines, Nagaur.

- Approval dated August 3, 2009 issued by the Energy Department, Government of Rajasthan for enhancement in the capacity of the power plant from 1,000 MW to 1,080 MW.

- In principal approval dated October 19, 2006 issued by RERC for capital cost, tariff determination of 8x135 MW Lignite based Thermal Power Plant.]

6. Raj WestPower (RWPL) Phase-II

- Application dated July 30, 2008 to the Ministry of Coal for long term coal linkage for the power plant.

- Application dated December 1, 2007 made to the Government of Rajasthan for entering into a MoU for setting up of a 2X135MW power plant at Barmer, Rajasthan.

7. 240 MW Hydro Electric Project, Kutehr

- Approval dated May 30, 2008 issued by the MoEF providing clearance for the pre-construction activities and issuing the terms of reference of the project.

- Approval dated December 4, 2008 issued by the Central Water Department in relation to the availability of water for the project.

- Application dated June 6, 2009 made to the Central Electricity Authority for the techno-economic clearance of the project by submitting the detailed project report.

- Application dated July 9, 2009 made to the Divisional Forest Officer for diversion of forest land under Forest Conversion Act, 1980 for the implementation of the project.

- Application dated July 9, 2009 made to the Deputy Commissioner, Chamba, Himachal Pradesh for inescapability certificate for the project.

- Approval dated July 17, 2009 issued by Power Grid Corporation of India Limited for Long Term Open Access.

8. Jaigad PowerTransco Limited

- Transmission license dated February 8, 2009 issued by MERC.

- Approval dated March 26, 2009 issued by the Energy Department, Government of Maharashtra for laying overheads lines under section 68 of the Electricity Act, 2003 valid for 25 years.

9. 1,320 MW Thermal Power Project, Chhattisgarh (JERL)

- Application dated February 2, 2008 made to the Ministry of Coal for long term coal linkage for the project.

- Approval dated September 30, 2008 issued by Department of Water Conservation for allotment of water from River Mahanadi.

- Approval dated September 12, 2009 issued by Expert Appraisal Committee on EIA for Term of Reference on environment clearance for the project.

10. 1,620 MW Thermal Power Project, Jharkhand

- Application dated December 19, 2007 made to the Ministry of Coal for long term coal linkage for the project.

- Approval dated February 26, 2008 issued by the Energy Department, Government of Jharkhand for the allocation of water for the project.

IV. Miscellaneous

1. Licence dated April 25, 2006 issued by the CERC granted to JSWPTC to trade in Electricity as an Electricity Trader in the whole of India which is valid for a period of 25 years.

2. Approval granted to PTPUJ dated February 26, 2007 issued by the Capital Investment Coordinating Board, Jakarta, for change in the PTPUJ's status from Non-Domestic Capital Investment/ Foreign Capital Investment to Foreign Capital Investment.

3. Tax Registration NPWP No. 02.492.465.6-018.000 dated June 13, 2008 issued by the

Directorate of Taxes under department of Finance of Republic of Indonesia to PTPUJ.

4. Application dated July 6, 2009 made to the Rajasthan Renewable Energy Corporation Limited for setting up of 5 MW Solar Photovoltaic Power Project at District Barmer, Rajasthan.

5. Tax Related Registrations

S. No.	Name of the Company	PAN	TAN	Service Tax Number	VAT TIN	CST TIN
1.	JSWEL	AAACJ8109N	Toranagallu - BLRJ00662E Mumbai - MUMJ13142D	AAACJ8109NST001	29720269858	82972606
2.	JSWPTC	AABCJ5740L	DELJ06417F	AABCJ5740LST001	-	-
4.	JSWERL	AABCJ7205J	MUMJ12170E	AABCJ7205JST001	27700576810V	27700576810C
5.	RWPL	AAACR8812L	JPRRO1146F	AAACR8812LST001	08771763589	08771763589
6.	JPTL	AACCJ0283B	MUMJ13753F	-	27150671154V	27150671154C
7.	PTPUJ, Indonesia	-	-	-	-	-
8.	JERL	AACCJ2258E	Applied	-	-	-

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of our Board dated July 21, 2009.

The shareholders have authorised the Issue by a special resolution passed pursuant to Section 81(1A) of the Companies Act at the EGM of our Company held on July 27, 2009.

Prohibition by SEBI

Our Company, Promoters, Promoter Group, Directors, Group Companies, natural persons in control of our corporate promoters, have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authorities.

Our Directors are not in any manner associated with the securities market and there has been no action taken by the SEBI against any of our Directors or any entity our Directors are involved in as promoters or directors.

Prohibition by RBI

Neither our Company, our Promoters or their relatives (as defined in the Companies Act), Group Companies, nor our Directors, have been declared as wilful defaulters by the RBI or any 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

Our Company is eligible for the Issue in accordance with Regulation 26(2) of the SEBI Regulations, which states as follows:

(2) "*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;

AND

(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 not complying with the conditions specified in Regulation 26(1) of the SEBI Regulations and are therefore required to meet both the conditions detailed in Clause (a) and Clause (b) of Regulation 26(2) of the SEBI Regulations.

- We are complying with Regulation 26(2)(a)(i) of the SEBI Regulations and at least 60% of the Issue are proposed to be allotted 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 also complying with Regulation 26(2)(b)(i) of the SEBI Regulations and the post-issue face value capital of the Company shall be Rs. [●] million which is more than the minimum requirement of Rs. 10 crore (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.

Further, the Issue is subject to the fulfilment of the following conditions as required by Rule 19(2)(b) 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 method with allocation of 60% of the Issue size to QIBs as specified by SEBI.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED 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 HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 13, 2009 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

"WE, THE UNDER NOTED LEAD MERCHANT BANKER(S) TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS MORE PARTICULARLY REFERRED TO IN THE ANNEXURE HERETO IN CONNECTION WITH THE FINALISATION OF THE DRAFT 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, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

   (a) THE DRAFT PROSPECTUS FORWARDED TO THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

   (b) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY THE BOARD, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

   (c) THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE (AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AND OTHER APPLICABLE LEGAL REQUIREMENTS).

3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.

4. WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.

5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

6. WE CERTIFY THAT CLAUSE 4.6 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.

7. WE UNDERTAKE THAT CLAUSES 4.9.1, 4.9.2, 4.9.3 AND 4.9.4 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT ALL PROMOTER'S CONTRIBUTION AND SUBSCRIPTION FROM ALL FIRM ALLOTTEES WOULD BE RECEIVED ATLEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE- NOT APPLICABLE

8. WHERE THE REQUIREMENT OF PROMOTERS' CONTRIBUTION IS NOT APPLICABLE TO THE ISSUER, WE CERTIFY THE REQUIREMENTS OF PROMOTERS'

CONTRIBUTION UNDER CLAUSE 4.10 (SUB-CLAUSE (A), (B), OR (C), AS MAY BE APPLICABLE) ARE NOT APPLICABLE TO THE ISSUER – NOT APPLICABLE.

9. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

10. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.**

11. **WE CERTIFY THAT NO PAYMENT IN THE NATURE OF DISCOUNT, COMMISSION, ALLOWANCE OR OTHERWISE SHALL BE MADE BY THE ISSUER OR THE PROMOTERS, DIRECTLY OR INDIRECTLY, TO ANY PERSON WHO RECEIVES SECURITIES BY WAY OF FIRM ALLOTMENT IN THE ISSUE.**

12. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE- NOT APPLICABLE AS THE OFFER SIZE IS MORE THAN 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.**

13. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS:**

    (a) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY AND

    (b) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME."

The filing of the Red Herring Prospectus does not, however, absolve the Company from any liabilities under section 63 or section 68 of the Companies Act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Managers, any irregularities or lapses in the Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies, Maharashtra, Mumbai in terms of 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Maharashtra, Mumbai in terms of section 56, section 60 and section 60B of the Companies Act.

Disclaimer from the Company and the BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our web site www.jsw.in, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the MoU entered into between the BRLMs and us and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by us and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither us nor the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to the Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company and will not Issue, sell, pledge, or transfer the Equity Shares of the Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company. The Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of the 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 authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds) and to FIIs, eligible NRIs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions). This 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 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 Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this 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 Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since 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 US 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 (as defined in Rule 144A under the Securities Act and referred to in this 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 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 Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with the Company and the BRLMs that it has received a copy of this 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, 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 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 and the BRLMs that it has received a copy of this 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, 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 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 BSE

BSE has given vide its letter dated September 4, 2009, permission to us to use BSE's name in the Red Herring Prospectus as one of the stock exchanges on which the Company's securities are proposed to be listed. BSE has scrutinised the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. BSE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; or
- warrant that the Company's securities will be listed or will continue to be listed on BSE; or
- take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of the Company;

and it should not for any reason be deemed or construed to mean that the Draft Red Herring Prospectus has been cleared or approved by BSE. Every Person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the NSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to NSE. NSE has given vide its letter ref.: NSE/LIST/118014-G dated September 8, 2009, permission to the Company to use NSE's name in the Red Herring Prospectus as one of the stock exchanges on which the Company's securities are proposed to be listed. The NSE has scrutinised the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Draft Red Herring Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; nor does it warrant that the Company's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of the Company.

Every Person who desires to apply for or otherwise acquires any of the Company's securities may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

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, Maharashtra (Mumbai) at Everest, 100 Marine Drive, Mumbai 400 002.

Listing

Applications will be made to the BSE and NSE for permission to deal in and for an official quotation of our Equity Shares. BSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it, i.e. from the date of refusal or within 70 days from the Bid/Issue Closing Date, whichever is earlier, then the Company and every Director of the Company who is an officer in default shall, on and from such expiry of 8 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 7 working days of finalisation of the Basis of Allotment for the Issue.

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Auditors, Bankers to the Company and Bankers to the Issue; and (b) Book Running Lead Managers to the Issue, and Syndicate Members, Escrow Collection Bankers, Registrar to the Issue, the Monitoring Agent, Legal Counsel to Issuer and Legal Counsels to the Underwriters, to act in their respective capacities, have been obtained and will be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act, 1956 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, Lodha & Co., Chartered Accountants, have given their written consent to the inclusion of their financial report as well as report in relation to tax benefits accruing to our Company and its members in the form and context in which it appears in this Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

CARE, the IPO grading agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, have given their written consent as experts to the inclusion of their report in the form and context in which they will appear in the Red Herring Prospectus and such consents and reports will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus with the Registrar of Companies and Designated Stock Exchange.

Expert to the Issue

Other than as stated above, 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, SCSB's commission/fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. All expenses with respect to the Issue would be paid by our Company.

The estimated Issue related expenses are as under:

(in Rs. million)

Activity	Expense* (Rs. in Million)	Expense* (% of total expenses)	Expense* (% of Issue Size)
Lead merchant bankers (including underwriting commission, brokerage and selling commission)	[•]	[•]	[•]
Registrars to the issue	[•]	[•]	[•]
Advisors	[•]	[•]	[•]
Bankers to issues	[•]	[•]	[•]
Others:			
- Printing and Stationary	[•]	[•]	[•]
- Listing fee	[•]	[•]	[•]
- Advertising and marketing expenses	[•]	[•]	[•]
- Fee for IPO grading	[•]	[•]	[•]
- Others	[•]	[•]	[•]
Total estimated Issue expenses	[•]	[•]	[•]

**To be completed after finalisation of issue price*

Fees Payable to the BRLMs and the Syndicate Members

The total fees payable to the BRLMs and the Syndicate Members will be as per the engagement letter dated July 21, 2009 with the BRLMs, issued by our Company, a copy of which is available for inspection at our registered office.

Fees Payable to the Registrar to the Issue

The fees payable by our Company to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as the per the MoU between our Company and the Registrar to the Issue dated October 22, 2009.

The Registrar to the Issue will be reimbursed for all out of pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

Underwriting commission, brokerage and selling commission on Previous Issues

Since this is the initial public offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our incorporation.

Previous Rights and Public Issues

Except as disclosed in the "Capital Structure" on page 30 of this Red Herring Prospectus, we have not made any previous rights and public issues in India or abroad in the five years preceding the date of this Red Herring Prospectus.

Previous issues of shares otherwise than for cash

Except as stated in the section titled "Capital Structure" on page 30 of this Red Herring Prospectus, we have not made any previous issues of shares for consideration otherwise than for cash.

Companies under the same management

No company under the same management (within the meaning of section 370(1)(B) of the Companies Act) as us has made any capital issue during the last three years.

Promise v. performance –Group Companies

None of our Group Companies/Subsidiaries/Associate companies have made any public issues or rights issues in the last ten years.

Outstanding Debentures, Bond Issues, or Preference Shares

We have issued certain Secured Redeemable Non Convertible Debentures of Rs. 10 million each aggregating to Rs. 1,700 million and certain Secured Redeemable Non Convertible Debentures of one million Rupees each aggregating to Rs. 1,000 million. For details on the same see "Financial Indebtedness" on page 336 of this Red Herring Prospectus.

We have no preference shares or bonds outstanding.

Stock Market Data for our Equity Shares

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least three years from the last date of despatch of the letters of allotment, demat credit and refund orders 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.

Investor Complaints pending against the five largest listed group companies

There are no investor complaints pending on the date of filing of the Red Herring Prospectus in respect of the five largest (in terms of market capitalization) listed group companies: Jindal Steel & Power Limited, JSW Steel Limited, Jindal Saw Limited, JSL Limited and Jindal South West Holdings Limited.

Disposal of Investor Grievances

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances within seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have also appointed Mr. S Madhavan, Company Secretary of our Company as the Compliance Officer for this Issue and he may be contacted in case of any pre-Issue or post-Issue related problems, at the following address:

The Enclave,
Behind Marathe Udyog Bhavan,
New Prabhadevi Road,
Prabhadevi,
Mumbai 400025
Tel: (91 22) 6783 8000
Fax: (91 22) 2432 0740
Email: ipo.jswenergy@jsw.in

Change in Auditors

There have been no changes in the Auditors in the last three years.

Capitalisation of Reserves or Profits

Our Company has not capitalised our reserves or profits during the last five years, except as stated in the section titled "Capital Structure" on page 30 of this Red Herring Prospectus.

Revaluation of Assets

We have not revalued our assets in the last five years.

Purchase of Property

Other than as disclosed in this Red Herring Prospectus there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Red Herring Prospectus, other than property, in respect of which:

- The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or

- The amount of the purchase money is not material.

Except as stated elsewhere in this Red Herring Prospectus, the Company has not purchased any property in which any of its Promoter and/or Directors, have any direct or indirect interest in any payment made thereunder.

Servicing Behaviour

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Payment or benefit to officers of our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

None of the beneficiaries of loans and advances and sundry debtors are related to the Directors of the Company.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles, the terms of this Red Herring Prospectus and the Prospectus, 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 laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, Stock Exchanges, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The Issue has been authorised by a resolution of our Board dated July 21, 2009 and by special resolution adopted pursuant to Section 81(1A) of the Companies Act*,* at an extraordinary general meeting of the shareholders of our Company held on July 27, 2009.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company including rights in respect of dividend. 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 the Company after the date of Allotment. For further details, please see "Main Provisions of the Articles of Association" on page 433 of this Red Herring Prospectus.

Mode of Payment of Dividend

We shall pay dividends to our shareholders in accordance with 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.

Compliance with SEBI Regulations

We shall comply with all disclosure and accounting norms as specified by 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 dividend, 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;
- 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 Company's Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled "Main Provisions of the Articles of Association" on page 433 of this Red Herring Prospectus.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of our Equity Shares shall only be in dematerialised 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 one (1) Equity Share subject to a minimum Allotment of [•] Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai.

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 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/ Corporate Office of our Company or to the Registrar and Transfer Agents of our Company.

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 the holder of the 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 moneys 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 dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Issue, including devolvement of underwriters within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received, within a period of 70 days from the Bid/Issue Closing Date. If there is a delay beyond 8 days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act.

If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith.

Further, we shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted shall not be less than 1,000.

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 of the Securities Act (as defined in Rule 144A under the Securities Act and referred to in this 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 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

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 433 of this Red Herring Prospectus.

ISSUE STRUCTURE

Issue of [●] Equity Shares for cash at a price of Rs. [●] per Equity Share (including share premium of Rs. [●] per Equity Share) aggregating to Rs. 27,000 million. The Issue will constitute [●]%of the post Issue paid up capital of the Company

The Company has allotted 6,300,000 Equity Shares to JSW Group Welfare Trust pursuant to a Pre-IPO Placement through a resolution of the Board of Directors dated November 16, 2009.

The Issue is being made through the 100% Book Building Process.

	QIBs#	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares*	[●] Equity Shares	[●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders.	[●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue Size available for Allotment/allocation	At least 60% of Issue being allocated. However, not less than 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only.	10% of Issue or Issue available for allocation less allocation to QIB and Retail Individual Bidders	30% of Issue or Issue available for allocation less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows: (a) [●] Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter.	[•] Equity Shares, net of retail discount as applicable to be adjusted, and in multiples of [•] Equity Shares thereafter.
Maximum Bid	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised 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.
Allotment Lot	[•] Equity Shares and in multiples of 1 Equity Share thereafter	[•] Equity Shares and in multiples of 1 Equity Share thereafter	[•] Equity Shares and in multiples of 1 Equity Share thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Public financial institutions as specified in Section 4A of the Companies Act,	Resident Indian individuals, Eligible NRIs, HUF (in the	Resident Indian individuals, Eligible

	QIBs#	Non-Institutional Bidders	Retail Individual Bidders
	scheduled commercial banks, mutual funds registered with SEBI, FIIs and sub-accounts registered with SEBI other than a sub-account which is a foreign corporate or a foreign individual, venture capital funds registered with SEBI, multilateral and bilateral development financial institutions, foreign venture capital investors registered with SEBI, State Industrial Development Corporations, permitted insurance companies registered with Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250,000,000 and pension funds with minimum corpus of Rs. 250,000,000 in accordance with applicable law and National Investment Fund set up by Government of India.	name of *karta*), companies, corporate bodies, scientific institutions, societies, trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.	NRIs and HUF (in the name of Karta)
Terms of Payment	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.	Amount applicable to Non-institutional Bidder at the time of submission of Bid cum Application Form.	Amount applicable at the time of submission of Bid cum Application Form##.
Margin Amount	At least 10% of Bid Amount	Full Bid Amount on Bidding	Full Bid Amount on Bidding

The Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. 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, please see "Issue Procedure" on page 394 of this Red Herring Prospectus.

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.

* Subject to valid Bids being received at or above the Issue Price. In accordance with Rule 19 (2) (b) of the SCRR, this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be allocated on a proportionate basis to QIBs, out of which 5% (excluding the 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 Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. 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 and allocated proportionately to the QIB Bidders in proportion to their Bids. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the 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. 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 and the Designated Stock Exchange. If at least 60% of the Issue is not allocated to the QIBs, the entire subscription monies shall be refunded.

** In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares. In such an event the Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. The Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

In the event that the Company decides not to proceed with the Issue after Bid/ Issue Closing Date, the Company would be required to file fresh draft red herring prospectus with SEBI.

Bidding/Issue Programme

BID/ISSUE OPENS ON	**DECEMBER 7, 2009***
BID/ISSUE CLOSES ON	**DECEMBER 9, 2009**

* *The Anchor Investor Bid/ Issue Period shall be one day prior to the Bid/ Issue Opening Date.*

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m**. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form or, in case of Bids submitted through ASBA, the Designated Branches of the SCSBs **except that on the Bid/Issue Closing Date, Bids and any revision in Bids (excluding the ASBA Bidders) shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time)** and uploaded till (i) 4.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders and (ii) till until 5.00 p.m. in case of Bids by Retail Individual Bidders. Due to limitation of the time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are advised that due to clustering of last day applications, as is typically experienced in public offerings, some Bids may not get uploaded on the last date. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLMs and Syndicate members will not be responsible. Bids will be accepted only on Business Days. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE. ASBA Bidders cannot revise their Bids.

On the Bid/Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders 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 Form as stated herein and reported by the BRLMs to the Stock Exchange within half an hour of such closure.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic Bid cum Application Form submitted through the ASBA process, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

The Company in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI Regulations provided that the Cap Price is less than or equal to 120% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price 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 the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least two (2) days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price.

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

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be allocated on a proportionate basis to QIBs, out of which 5% (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 Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the 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. Allocation to Anchor Investors shall be on a discretionary basis and not on a proportionate basis.

Bidders are required to submit their Bids through the Syndicate. Further, QIB Bids can be procured and submitted only through the BRLMs or their affiliate syndicate members. In case of QIB Bidders, the Company in consultation with the BRLMs may reject Bids at the time of acceptance of Bid cum Application Form provided that the reasons for such rejection shall be provided to such Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders our Company would have a right to reject the Bids only on technical grounds.

Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Red Herring Prospectus. The Bidder 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.

ASBA Bidders shall submit a Bid cum Application Form either in physical or electronic form to the SCSB authorising blocking funds that are available in the bank account specified in the Bid cum Application Form used by ASBA Bidders. The ASBA Bidders can only provide one Bid in the 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 Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form for ASBA Bidders to the SCSB, the ASBA Bidder is deemed to have authorised the 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.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FIIs or Foreign Venture Capital Funds, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue
ASBA Bidders	Green

In accordance with the SEBI Regulations, only Resident Retail Individual Investor can participate by way of ASBA process.

In accordance with SEBI Regulations, only QIBs can participate in the Anchor Investor Portion.

Who can Bid?

- Indian nationals resident in India who are not minors 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 equity shares;

- Mutual Funds registered with SEBI;

- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than eligible NRIs are not eligible to participate in this issue;

- Indian Financial Institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);

- FIIs and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual;

- Venture Capital Funds registered with SEBI;

- 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;

- Scientific and/or industrial research organisations authorised to invest in equity shares;

- Insurance Companies registered with Insurance Regulatory and Development Authority;

- Provident Funds with minimum corpus of Rs. 250 million and who are authorised 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;

- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Bidders category;

- Foreign Venture Capital Investors registered with SEBI;

- Multilateral and bilateral development financial institutions; and

- National Investment Fund set up by Government of India.

As per the existing regulations, OCBs cannot participate in this Issue.

Participation by Associates of BRLMs and Syndicate Members

The BRLMs and Syndicate Members shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs and

Syndicate Members may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such investors, where the allocation is on a proportionate basis.

The BRLMs and any persons related to the BRLMs, the Promoters and the Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand is greater than [●] Equity Shares, allocation shall be made to Mutual Funds 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.

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.

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.

Bids by Eligible NRIs

1. Bid cum Application Forms have been made available for Eligible NRIs at our corporate/registered office and with members of the Syndicate.

2. Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

In accordance with the SEBI Regulations, Non-Resident 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 issue of Equity Shares to a single FII should not exceed 10% of our post-issue issued capital (i.e. 10% of [●] Equity Shares of Rs. 10 each). 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, the aggregate FII holding in us cannot exceed 24% of our total issued capital. With the approval of the board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of the company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "Know Your Client" requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

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 registered with SEBI.

Accordingly, whilst the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund, a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Share thereafter, so as to ensure that the Bid Price payable by the Bidder does not exceed Rs. 100,000, net of Retail Discount as applicable to be adjusted. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Price does not exceed Rs. 100,000. In case the Bid Price 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 indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

(b) **For Other Bidders (Non-Institutional Bidders and QIBs):** 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 cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB Margin upon submission of Bid.**

(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 exceeds 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. A Bid cannot be submitted for more than 30% of the QIB Portion. **Anchor Investors cannot withdraw their Bids after the Anchor Investor/Bid Issue Period.**

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 Red Herring Prospectus.

Information for the Bidders:

(a) Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Issue Opening Date.

(b) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.

(c) 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 shall accept the Bids from the Anchor Investors only on the Anchor Investor Bidding Date.

(d) 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 corporate/registered office or from any of the members of the Syndicate.

(e) Eligible investors who are interested in subscribing for the Equity Shares should approach any of the BRLMs or Syndicate Members or their authorised agent(s) to register their Bids.

(f) 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 and the BRLMs shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date in the Red Herring Prospectus with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in one Marathi newspaper with wide circulation. This advertisement, subject to the provisions of S. 66 of the Companies Act shall be in the format prescribed in Schedule XIII of the SEBI Regulations. The Price Band, Retail Discount and the minimum bid lot will be decided by the Company in consultation with the Book Running Lead Manager and advertised in newspapers in the English language, in the Hindi language and in the Marathi language at least two working days prior to the Bid/Issue Opening Date. The Members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement. Provided that the BRLMs shall accept the Bids from the Anchor Investors only on the Anchor Investor Bidding Date.

(b) The Bid/Issue Period shall be for a minimum of three working days and shall not exceed 10 working days. The Bid/ Issue Period may be extended, if required, by an additional three working days, subject to the total Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one Marathi newspaper with wide circulation and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

(c) During the Bid/Issue Period, eligible investors who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorised agents to register their Bid.

(d) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph titled "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 Price, will become automatically invalid.

(e) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled "Build up of the Book and Revision of Bids".

(f) The members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum

Application Form.

(g) During the Bid/Issue Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.

(h) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled "Terms of Payment and Payment into the Escrow Accounts" on page 400 of this Red Herring Prospectus.

Bids at Different Price Levels and Revision of Bids

(a) The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share, Rs. [●] being the Floor Price Band and Rs. [●] being the Cap Price. The Bidders can bid at any price within the Price Band, in multiples of Re.1 (One). The Price Band, Retail Discount and the minimum bid lot will be decided by the Company in consultation with the Book Running Lead Manager and advertised in the English language, in the Hindi language and in the Marathi language at least two working days prior to the Bid/Issue Opening Date.

(b) Our Company, in consultation with the BRLMs reserves the right to revise the Price Band, during the Bid/Issue Period in accordance with SEBI Regulations. The cap on the Price Band should not be more than 20% of the Floor Price. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.

(c) Our Company, in consultation with the BRLMs can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.

(d) Our Company, in consultation with the BRLMs can finalise the Anchor Investor Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Anchor Investors.

(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 may bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

(f) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-Off Price shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the cap of the Price Band with the members of the Syndicate. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders, who Bid at Cut-off Price, shall receive the refund of the excess amounts from the respective Refund Account.

(g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this 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 of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from 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, 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. In any event the Company, in consultation with the BRLMs shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 5,000 to Rs. 7,000.

Escrow Mechanism

Our Company and the Members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account.

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 with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. 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.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Company, the Members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Accounts

Each Bidder shall with the submission of the Bid-cum-Application Form draw a cheque or demand draft for the applicable Margin Amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (for details refer to the section titled "Issue Procedure-Payment Instructions" on page 408 of this Red Herring Prospectus) and submit the same to the member of the Syndicate to whom the Bid is being submitted. 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 QIB Margin Amount only to a BRLMs or Syndicate Members duly authorised by the BRLMs in this regard. Bid-cum-Application Forms accompanied by cash/Stockinvest/money order shall not be accepted. The Margin Amount based on the Bid Amount has to be paid at the time of submission of the Bid-cum-Application Form.

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, 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. On the Designated Date and no later than 15 (fifteen) 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, Non-Institutional Bidders, Retail Individual Bidders 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 section titled "Issue Structure" on page 391 of this Red Herring Prospectus.

Anchor Investors would be required to pay the Anchor Investor Margin Amount at the time of submission of the application form by the Anchor Investors and the balance shall be payable within two (2) days of the Bid/ Issue Closing Date. In the event of Issue Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the price at which allocation is made to them and the Issue Price. If the Issue Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Issue Price paid by Anchor Investors shall not be refunded to them.

If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. 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/allotted lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allocation/Allotment, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date, failing which the Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

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 of the Securities Act (as defined in Rule 144A under the Securities Act and referred to in this 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 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.

Electronic Registration of Bids

(a) The members of the Syndicate will register the Bids using the on-line facilities of BSE and NSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.

(b) The BSE and NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Members of the Syndicate and their authorised agents during the Bidding Period. Syndicate Members can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid 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 on a regular basis.

(c) The aggregate demand and price for Bids registered on the electronic facilities of BSE and NSE will be uploaded on a regular basis, consolidated and displayed on-line at all bidding centres and the website of BSE and NSE. A graphical representation of consolidated demand and price would be made available at the bidding centres during the Bidding Period.

(d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

- Name of the investor.
- Investor Category – Individual, Corporate, FII, NRI, Mutual Fund, etc.
- Numbers of Equity Shares bid for.
- Bid price.
- 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.

(e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated/Allotment either by the members of the Syndicate or our Company.

(f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(g) In case of QIB Bidders, 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 and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed on page 411 of this Red Herring Prospectus.

(h) The permission given by BSE and NSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by BSE and NSE; 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.

(i) It is also to be distinctly understood that the approval given by BSE and NSE should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by the BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.

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 BSE or NSE mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLMs on a regular basis.

(c) During the Bidding/Issue 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 Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

(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 NSE and 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 Company in consultation with the BRLMs 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/Issue Closing Date, the BRLMs will analyse the demand generated at various price levels and discuss the pricing strategy with the Company.

(b) The Company in consultation with the BRLMs shall finalise the Issue Price.

(c) The allocation to QIBs will be at least 60% of the Issue and allocation to Non-Institutional and Retail Individual Bidders will be not less than 10% and 30% of the Issue, respectively, on a proportionate basis, in a manner specified in the SEBI Regulations and the Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid bids being received at or above the Issue Price.

(d) 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 and the Designated Stock Exchange. If at least 60% of the Issue is not allocated to the QIBs, the entire subscription monies shall be refunded.

(e) Allocation to Non-Residents, including Eligible NRIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

(f) The BRLMs, in consultation with us, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(g) Our Company reserves the right to cancel the Issue any time after the Bid/Issue Opening Date without assigning any reasons whatsoever. In terms of the SEBI Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

(h) 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 and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, we would update and file the updated Red Herring Prospectus with ROC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

Filing of the Prospectus with the RoC

We will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Announcement of pre-Issue Advertisement

Subject to Section 66 of the Companies Act, the Company shall upon registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations in two widely circulated newspapers (one each in English and Hindi) and a Marathi newspaper with wide circulation.

Advertisement regarding Issue Price and Prospectus

We will issue a statutory advertisement, after the filing of the Prospectus with the RoC, in an English national newspaper, Hindi national newspaper and Marathi newspaper with wide circulation at the place where the registered office of the issuer is situated. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price and the Anchor Investor Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note ("CAN")

(a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLMs or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated/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 allocation for the Retail and Non-Institutional Bidders. However, investors should note that the Company shall ensure that the date of Allotment of the Equity Shares to all investors in this Issue shall be done on the same date.

(b) The BRLMs or members of the Syndicate will then 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 for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the entire Bid Amount into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.

(c) Bidders who have been allocated/allotted Equity Shares and who have already paid the Bid Amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account. 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

A physical book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. Based on the physical book and at the discretion of the Company and the BRLMs, select Anchor Investors may be sent a CAN, within two working days of the Anchor Investor Bid/ Issue Period, 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 Investors to pay the entire Anchor Investor Issue Price for all the Equity Shares allocated to such Anchor Investor. This provisional CAN and the final allocation is subject to the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price and allotment by the Board of Directors. In the event that the Issue Price is higher than the Anchor Investor Issue Price, a revised CAN may be sent to Anchor Investors. The price of 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 of Equity Shares or increased price of Equity Shares. The Pay-in Date in the revised CAN shall not be later than two days after the Bid/ Issue Closing Date. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. This shall be followed by a physical book prepared by the Registrar on the basis of Bid cum Application Forms received. Based on the electronic book or the physical book, as the case may be, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to 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 will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

(a) Our Company will ensure that the Allotment of Equity Shares is done within 15 (fifteen) days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, our Company would 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 and Allotment shall be made only in the dematerialised form to the Allottees.

(c) Allottees will have the option to re-materialise the Equity Shares so Allotted 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;

b) Read all the instructions carefully and complete the Bid cum Application Form (white in colour) for Resident Indians and Eligible NRIs applying on a non-repatriation basis or Bid cum Application Form (Blue in colour) for Eligible NRIs, FIIs or Foreign Venture Capital Funds, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis or the Anchor Investor Bid cum Application Form as the case may be;

c) Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialised form only;

d) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;

e) Ensure that you have been given a TRS for all your Bid options;

f) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

g) All Bidders should mention their Permanent Account Number (PAN) allotted under the IT Act;

h) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;

i) 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 price to less than the lower end of the Price Band or higher than the higher end of the Price Band;

(c) Do not bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

(d) Do not pay the Bid Price in cash, by money order or by postal order or by stockinvest;

(e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;

(f) Do not bid at Cut Off Price (for QIB Bidders and Non-Institutional Bidders, for bid amount in excess of Rs. 100,000);

(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 GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

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.

(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, 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.

(d) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter. Bids cannot be made for more than the Issue. 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.

(e) For Anchor Investors, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to Rs. 100 million and in multiples of [•] Equity Shares thereafter.

(f) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(g) 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.

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.

Bidder's Depository Account and Bank Account Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar 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 despatch/ credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs nor the Registrar to the Issue nor the Escrow Collection Banks or the SCSBs nor the 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.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET 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 ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund Orders/Allocation Advice/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 the Company, Escrow Collection Banks nor the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches the 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.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice or refunds through electronic transfer of funds, the Demographic Details given on the Bid-cum-Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Bids by Non Residents including NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a repatriation basis

Bids and revision to Bids must be made in the following manner:

1. On the Bid-cum-Application Form or the Revision Form, as applicable (blue in colour), and completed

in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three and in the same order as their Depositary Participant Details).

Bids by 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.

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.

As per the existing policy of the Government of India, OCBs are not permitted to participate in the Issue.

There is no reservation for Eligible NRIs and FIIs and all applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum 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 therefore.

In case of Bids made pursuant to a power of attorney by FIIs, 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 therefore.

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 therefore.

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 therefore.

In case of Bids made by mutual fund registered with SEBI, venture capital fund registered with SEBI and foreign venture capital investor registered with SEBI, a certified copy of their SEBI registration certificate must be submitted 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 therefore.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLMs may deem fit.

Payment Instructions

Our Company shall open Escrow Accounts with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid-cum-Application Form and for amounts payable pursuant to allocation/Allotment in the Issue.

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

Payment into Escrow Account

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 and submit the same to the members of the Syndicate.

2. In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. 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:

    (a) In case of Resident QIB Bidders: "JSW Energy Limited IPO QIB R"

    (b) In case of Non Resident QIB Bidders: "JSW Energy Limited IPO QIB NR"

    (c) In case of Resident Retail and Non-Institutional Bidders: "JSW Energy Limited IPO R"

    (d) In case of Non-Resident Retail and Non-Institutional Bidders: "JSW Energy Limited IPO NR"

4. Anchor Investors would be required to pay the Anchor Investor Margin Amount at the time of submission of the application form by the Anchor Investors and the balance shall be payable within two (2) days of the Bid/ Issue Closing Date. In the event of Issue Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the price at which allocation is made to them and the Issue Price. If the Issue Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Issue Price paid by Anchor Investors shall not be refunded to them.

5. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

    (a) In case of resident Anchor Investors: "JSW Energy Limited IPO QIB R"

    (b) In case of non-resident Anchor Investors: "JSW Energy Limited IPO QIB NR"

6. 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. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made out of NRO account.

7. In case of Bids by NRIs applying on non-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 or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

8. In case of Bids by FIIs/FVCIs/multilateral and bilateral financial institutions, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.

9. The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.

10. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

11. 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.

12. 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.

Payment by Stockinvest

In terms of the Reserve Bank of India 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 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 to the Issue 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.

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 QIBs under the Anchor Investor Portion and QIB Portion (excluding Anchor Investor Portion) will not be considered as multiple Bids.

The Company reserves the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number or PAN

The Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her Permanent Account Number (PAN) allotted under the I.T. Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form without the PAN is 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**.

Our Right to Reject Bids

In case of QIB Bidders, the Company in consultation with the BRLMs may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made as setforth in "Payment of Refund", below.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;

- Age of First Bidder not given;

- 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;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not given;
- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than lower end of the Price Band;
- Bids at a price more than the higher end of the Price Band;
- Bids at Cut Off Price by Non-Institutional and QIB Bidders.
- Bids for number of Equity Shares which are not in multiples of [●];
- Category not ticked;
- Multiple Bids as defined in this Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stockinvest/money order/postal order/cash;
- Signature of sole and / or joint Bidders missing;
- Bid cum Application Forms does not have the stamp of the BRLMs or Syndicate Members;
- Bid cum Application Forms does not have Bidder's depository account details;
- 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;
- 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;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids in respect where the Bid cum Application form do not reach the Registrar to the Issue prior to the finalisation of the Basis of Allotment;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- Bids by international QIBs not submitted through the BRLMs or their affiliates;
- Bids by QIBs not submitted through members of the Syndicate;
- Bids by persons localed in the United States other than "Qualified Institutional Buyers" as defined in Rule 144A of the Securities Act;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws; and

- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.

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 dematerialised 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 the Company, the respective Depositories and the Registrar to the Issue:

(a) Agreement dated September 26, 2001 with NSDL, the Company and the Registrar to the Issue;

(b) Agreement dated January 2, 2008 with CDSL, the Company and the Registrar to the Issue.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(a) A Bidder applying for Equity Shares must have at least one beneficiary account with 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. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(h) The trading of the Equity Shares of the 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 allotted Equity Shares in the respective beneficiary accounts, refund orders etc.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The 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 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/ Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The 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 Allotment.

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 dematerialised form within 15 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 days of the Bid/Issue Closing Date would be ensured; and

- The 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 guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Regulations.

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 aggregate demand 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 aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. 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 and Retail Portion 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 aggregate demand 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 aggregate demand 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. 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 up to 5% of the QIB Portion (excluding Anchor Investor Portion) shall be determined as follows:

        (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion (excluding Anchor Investor Portion), allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion (excluding Anchor Investor Portion).

        (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion (excluding Anchor Investor Portion) then all Mutual Funds shall get full Allotment to the extent of valid bids received at or above the Issue Price.

        (iii) Equity Shares remaining unsubscribed, if any, 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 shall be determined as follows:

(i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids at or above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

(ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

(iii) Under-subscription below 5% of the QIB Portion (excluding Anchor Investor Portion), if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

- The aggregate Allotment to QIB Bidders shall not be less than [●] Equity Shares

D. For Anchor Investor Portion

- 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, subject to compliance with the following requirements:

  a. not more than 30% of the QIB Portion will be allocated to Anchor Investors;

  b. 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;

  c. allocation to Anchor Investors shall be on a discretionary basis and subject to a minimum number of two Anchor Investors for allocation upto Rs. 2,500 million and minimum number of five Anchor Investors for allocation more than Rs. 2,500 million.

- 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 before the Bid Opening Date by intimating the stock exchanges and uploading the said details on the websites of the BRLMs and on the terminals of the Syndicate Members.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, the Company shall finalise the basis of Allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalised in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorised 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:

- 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; and

- Each successful Bidder shall be allotted a minimum of [•] Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than [•] but is not a multiple of 1 (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be 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.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue Details

Sr. No.	Particulars	Issue details
1	**Issue size**	200 million equity shares
2	Allocation to QIB (60%)	120 million equity shares
3	Anchor Investor Portion	36 million equity shares
4	Portion available to QIBs other than Anchor Investors [(2) minus (3)]	84 million equity shares
	Of which:	
	a. Allocation to MF (5%)	4.2 million equity shares
	b. Balance for all QIBs including MFs	79.8 million equity shares
5	No. of QIB applicants	10
6	No. of shares applied for	500 million equity shares

B. Details of QIB Bids

Sr. No	Type of QIB bidders#	No. of shares bid for (in million)
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 4.20 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 79.80 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
A1	50	0	8.05	0
A2	20	0	3.21	0
A3	130	0	20.92	0
A4	50	0	8.05	0
A5	50	0	8.05	0
MF1	40	0.84	6.30	7.14
MF2	40	0.84	6.30	7.14
MF3	80	1.68	12.62	14.30
MF4	20	0.42	3.15	3.57
MF5	20	0.42	3.15	3.57
	500	**4.20**	**79.80**	**35.72**

Please note:

1. The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in the section titled "Issue Structure" beginning on page 391.

2. Out of 84 million Equity Shares allocated to QIBs, 4.2 million (i.e. 5%) will be allocated on proportionate basis among 5 Mutual Fund applicants who applied for 200 million Equity Shares in QIB category.

3. The balance 79.80 million Equity Shares (i.e. 84 - 4.2 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 million Equity Shares (including 5 MF applicants who applied for 200 million Equity Shares).

4. The figures in the fourth column titled "Allocation of balance 79.80 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 79.80 / 495.80;

   - 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 79.80 / 495.80; and

   - The numerator and denominator for arriving at allocation of 84 million shares to the 10 QIBs are reduced by 4.2 million shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

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 to the Issue will obtain, from the Depositories, the Bidders' 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 despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither the Company, the Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue nor the BRLMs shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

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 where such facility has been made available. 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 centres where such facility has been made available, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS.

2. Direct Credit – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit.

3. RTGS – Applicants having a bank account at any of the centres where the ECS facility has been made available and whose refund amount exceeds Rs. 5 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 applicant's bank receiving the credit would be borne by the applicant.

4. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value upto 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 centres will be payable by the Bidders.

Letters of Allotment or Refund Orders

The Company shall give credit to the beneficiary account with depository participants within two working days from the date of the finalisation of basis of allotment. Applicants residing at centres where clearing houses are managed by the RBI, will get refunds through ECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. Our Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500, by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk within 15 days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within fifteen days of closure of Bid / Issue.

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 dematerialised form 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 time period as mentioned above), if Allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 day time prescribed above.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Undertakings

Our Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;

- 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 funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer.

- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/ Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

- That the certificates of the securities/ refund orders to the non-resident Indians shall be despatched within specified time;

- No further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc; and

- That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of allotment.

The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Utilisation of Issue proceeds

Our Board of Directors certify that:

- All monies received out of the 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 utilised out of Issue shall be disclosed, and continue to be disclosed till the time any part of the issue proceeds remains unutilised, under an appropriate head in our balance sheet 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 the appropriate head in the balance sheet indicating the form in which such unutilised monies have been invested;

ISSUE PROCEDURE FOR ASBA BIDDERS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. The Company and the BRLMs are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this 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 who have been notified by SEBI to act as SCSB for the ASBA Process are provided on http://www.sebi.gov.in. For details on designated branches of SCSB 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.

ASBA Bid cum Application Form

ASBA Bidders shall use the ASBA Bid cum Application Form bearing the code of the Syndicate Member 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 the 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 the 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 shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Bid cum Application Form to the controlling branches of the SCSBs and the SCSBs will then make available such copies to investors applying under the ASBA process. Additionally, the BRLMs shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the ASBA Bid cum Application Form. SCSBs shall make the same available on their websites.

(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. 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 code of the Syndicate Member and/or Designated Branch of the SCSB.

(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 advised 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, the Company reserves the right to revise the Price Band during the Bidding Period. 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 one Marathi newspaper and also by indicating the change on the websites of the BRLMs, SCSBs and at the terminals of the members of the Syndicate.

(d) The Company in consultation with the BRLMs, can finalise 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, 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 ASBA Account 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 Amount 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 ASBA Bid cum Application Form submitted by the respective ASBA Bidders, would be required to be blocked in the respective ASBA Accounts 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 ASBA 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 advised 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 on the websites of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available on the websites of the Stock Exchanges 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 above mentioned 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 the Company or the BRLMs 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 the Company, its management or any scheme or project of the Company.

(h) The SCSB may reject the ASBA Bid, if the ASBA 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, the Company would have a right to reject the Bids only on technical grounds.

(i) 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, 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 and the Stock Exchanges 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.

(e) Only Bids that are uploaded on the online IPO system of the BSE and NSE shall be considered for allocation/ Allotment.

Price Discovery and Allocation

After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA process and which details are provided to them by the SCSBs 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 section titled "Issue Procedure" beginning on page 394 of this Red Herring Prospectus.

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the RoC, a statutory advertisement will be issued by the Company in an English national newspaper, Hindi national newspaper and Marathi newspaper with wide circulation at the place where the registered office of the issuer is situated. 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 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 the 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) The 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, the 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 Allotees. Allotees 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 the 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 the ASBA 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 given in the ASBA Bid cum Application Form is exactly the same as the name(s) and PAN 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 Number.

(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 PAN 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, PAN IN THE ASBA BID CUM APPLICATION FORM SHOULD BE EXACTLY THE SAME AS PROVIDED WHILE OPENING 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 the 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 matches 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, the Company, in consultation with the BRLMs, reserves the right to reject such ASBA Bids.

The 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 the Company, in consultation with the BRLMs 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 Bid 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 Closing date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue before finalization of Basis of Allotment. 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 410 of Red Herring Prospectus.

Permanent Account Number

For details, see the section titled "Permanent Account Number or PAN" on page 411 of this Red Herring Prospectus.

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, the 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 Rejections" on page 411 of this Red Herring Prospectus, applications under the ASBA process are liable to be rejected on, *inter alia*, the following technical grounds:

1. Amount mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of Equity Shares Bid for;

2. Bids at a price other than at the Cut-off Price;

3. Age of first Bidder not given;

4. Bid made by categories of investors other than Resident Retail Individual Investors;

5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;

6. Authorisation for blocking funds in the ASBA Bidder's bank account not ticked or provided;

7. ASBA Bids accompanied by stockinvest/ money order/ postal order/ cash;

8. Signature of sole and/or joint Bidders missing in case of ASBA Bid cum Application Forms submitted in physical mode;

9. ASBA Bid cum Application Form does not have the stamp of the SCSB and/or a member of the Syndicate;

10. 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;

11. 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; and

12. 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 wilful 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 Syndicate Members and the Registrar accept no responsibility for errors, omissions, commission or any acts of SCSBs 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 section titled "Issue Procedure- Impersonation" on page 414 of this Red Herring Prospectus.

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 SEBI Regulations, the Company undertakes that:

- Allotment and transfer shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date; and

- Instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 15 days from the Bid/Issue Closing Date.

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 section titled "Issue Procedure- Basis of Allotment" on page 414 of this Red Herring Prospectus.

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 the Company

In addition to the undertakings described under "Issue Procedure - Undertaking by the Company", with respect to the ASBA Bidders, the Company undertakes that adequate arrangement shall be made to consider ASBA Bidders similar to other Bidders while finalizing the basis of allocation.

Utilisation of Issue Proceeds

The Board has provided certain certifications with respect to the utilization of Issue Proceeds. For details, see the section titled "Issue Procedure- Utilisation of Issue Proceeds" on page 420 of this Red Herring Prospectus.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of GoI and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment limit is allowed up to 100% under automatic route in our Company.

In April 2005, two non resident companies acquired Equity Shares in the Company, which presently constitutes 7.88% of our share capital from a resident shareholder. We have received approval from the FIPB for continuation of this non resident holding in our Company and for classifying the Issuer as an Operating cum Holding company due to the then non resident holding of 8.41% (presently, 7.88%) and pursuant to the setting up of subsidiary companies by the Company.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

Transfers of equity shares previously required the prior approval of the FIPB. However, vide a RBI circular dated October 4, 2004 issued by the RBI, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (FDI) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (ii) the non-resident shareholding is within the sectoral limits under the FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this 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 of the Securities Act (as defined in Rule 144A under the Securities Act and referred to in this 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 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.

The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

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.

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association of the Company relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares/debentures and/or on their consolidation/splitting are detailed below:

The regulations contained in Table 'A' of Schedule I to the Companies Act (Act 1 of 1956) shall not apply only in so far as the same are not provided for or are inconsistent with these Articles and the regulations for the management of the Company and for observance of the members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company with reference to repeal or alteration or of addition to, its regulations by special resolution, as prescribed by the Companies Act, 1956, be such as are contained in these Articles.

Amount of Capital

Article 3 provides that

The Authorised Share Capital of the Company is Rs. 5,000 Crores (Rupees Five Thousand Crores) divided into 500,00,00,000 (Five Hundred Crores) Equity Shares of Rs. 10/- (Rupees Ten) each.

Increase of Capital by the Company and how carried into effect

Article 4 provides that

The Company in General Meeting may, from time to time, increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at general meetings of the Company in conformity with Sections 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

Redeemable Preference Shares

Article 6 provides that

Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue Preference Shares which are or at the option of the Company are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

Provision to apply on issue of Redeemable Preference Shares

Article 7 provides that

On the issue of Redeemable Preference Shares under the provisions of Article 6 hereof the following provisions shall take effect:

(a) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption;

(b) no such share shall be redeemed unless they are fully paid;

(c) the premium if any, payable on redemption must have been provided for out of the profits of the Company or the Company's Share Premium Account before the shares are redeemed;

(d) where any such share are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the 'Capital Redemption Reserve Account', a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.

Reduction of Capital

Article 8 provides that

The Company may (subject to the provisions of Section 78, 80, 100 to 105, inclusive of the Act), from time to time by Special Resolution, reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorised by law, and in particular, capital may be paid off on the footing that it may be called upon again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.

Sub-division Consolidation and Cancellation of Shares

Article 9 provides that

Subject to the provisions of Section 94 of the Act the Company in general meeting may, from time to time sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division one or more such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others or subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Modification of rights

Article 10 provides that

Whenever the capital, by reason by the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class, may, subject to the provisions of Section 106 and 107 of the Act, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a special resolution passed at a separated general meeting of the holders of shares of that class.

Register and Index of Members

Article 11 provides that

The Company shall cause to be kept a Register and Index of Members in accordance with Sections 150 and 151 of the Act. The Company shall be entitled to keep in any State of country outside India a branch Register of Members resident in that State or country.

Further Issue of Capital

Article 13 provides that

(a) (i) 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, whether out of unissued share capital or out of increased share capital, then, 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 upon these shares to that date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than 15 days of the offer within which the offer, if not accepted, will be deemed to have been declined. 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, if he declines to accept the shares offered the Board may dispose of them in such manner as they think most beneficial to the Company.

(ii) 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 above shall contain a statement of this right;

(b) Notwithstanding anything contained in the preceding sub-clause, the Company may -

(i) by a special resolution; or

(ii) Where no such special resolution is passed, if the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting by members who, being entitled so to do, vote in person or where proxies are allowed, by proxy, exceed the vote 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.

Offer further shares to any person or persons, and such person or persons may or may not include the persons who at the date of the offer, are the holders of the equity shares of the Company.

(c) Nothing in sub-clause (i) of 13(a) hereof shall be deemed:

1. To extend the time within which offer should be accepted; or

2. 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.

(d) Notwithstanding anything contained in sub-clause (a) above but subject however, to Section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares, or to subscribe for shares in the Company.

Provided that the terms of issue of such debentures or terms of such loans include a term providing for such options and such term:

1. Either has been approved by the central Government before the issue of debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

2. In the case of debentures or loans other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has been approved by the special resolution passed by the Company in General Meeting before the issue of debentures or raising of the loans.

Share under control of Directors

Article 14 provides that

Subject to the provisions of these Articles and of the Act, the Shares (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons in such proportion or such terms and conditions and at such times as the Directors think fit and subject to the sanction of the Company in General Meeting with full power, to give any person the option to call for or be allotted shares of any class of the Company either (subject to the provisions of Sections 78 and 79 of the Act) at a premium or at a discount and such option being exercisable for such time and for such consideration as the Directors think fit.

The directors 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 paid shares.

Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

The Board shall cause to be filed the return as to allotment as provided for in Section 75 of the Act.

Power also to Company in General Meeting to issue shares

Article 15 provides that

In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 13 and 14, the Company in general meeting may, subject to the provisions of Section 81 of the Act determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such person (whether members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for a such consideration as may be directed by such General Meeting or the Company in general meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.

Acceptance of Shares

Article 16 provides that

Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be a 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.

Deposit and call etc. to be a debt payable immediately

Article 17 provides that

The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holders of such shares become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

Liability of Members

Article 18 provides that

Every member, or his heirs, executors or administrators, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon in such amount, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.

Liability of Members

Article 19 provides that

(a) Every member or allottee of shares shall be entitled without payment, to receive one certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid-up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letters of acceptance or of renunciation or in cases of issue of bonus shares.

The company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be.

Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits it, at least one of the aforesaid two Directors shall be a person other than a Managing or a whole time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue.

(b) Any two or more joint allottees or a share shall, for the purpose of this Article, be treated as a single member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupee One. The Company shall comply with the provisions of Section 113 of the Act.

(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

Renewal of Share Certificate

Article 20 provides that

(a) No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfers have been duly utilised, unless the certificate in lieu of which it is issued is surrendered to the Company.

(aa) Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs. 2/- for each certificate) as the Directors shall prescribe.

Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirement of any Stock Exchange or the rules made under the Act or rules made under 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 debentures of the Company.

(b) When a new share certificate has been issued in pursuance of clause (a) of this Article it shall state on the face of it and against such counterfoil to the effect that it is "issued in lieu of share certificate No. …………………………. Sub-divided/replaced/on consolidation of shares".

(c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and or such terms, if any, as to evidence and indemnity as to the payment of out-of-pocket expenses incurred by the Company investigating evidence, as the Board thinks fit.

(d) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it or counterfoil to the effect that it is 'duplicate issued in lieu of share certificate No. ……..'

The word 'Duplicate' shall be stamped or punched in bold letters across the face of the share certificate.

(e) When a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate certificates indicating against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changed indicated in the Register of Members by suitable cross reference in the 'Remarks' Column

(f) All blank forms to be issued for issue of share certificate shall be printed and printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consequently machine numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or such other person as the Board may appoint for the purpose; and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

(g) The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificates referred to in sub Article (f).

(h) All books referred to in sub-Article (g) shall be preserved in good order permanently.

Company not bound to recognise any interest in share other than that of registered holder

Article 22 provides that

Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Article otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles in the person from time to time registered as the holder thereof; but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

Funds of Company may not be applied in purchase of shares of the Company

Article 23 provides that

None of the funds of the Company shall be applied in the purchase of any shares of the Company, and it shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding company save as provided by Section 77 and Section 77A of the Act.

Interest may be paid out of capital

Article 26 provides that

Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building or the provisions of plant.

Director may make calls

Article 27 provides that

The Board may, from time to time subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at meeting of the Board (and not by circular resolution) make such calls as it thinks fit upon the members in respect of all money unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by instalments.

Notice of calls

Article 28 provides that

Fifteen days' notice in writing of any call shall be given by the Company specifying the time, place of payment, and the person or persons to whom such call shall be paid.

Calls to date from resolution

Article 29 provides that

A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.

Calls to carry interest

Article 33 provides that

If any member fails to pay any call due from him on the day appointed for the payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 18 percent per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

Payment in anticipation of calls may carry interest

Article 37 provides that

(a) The Board may, if it thinks fit, agree to and receive from any member willing to advance the same all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or at any time repay the same upon giving to the member three month's notice in writing. Providing that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or to participate in profits.

(b) No member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

(c) The provision of these articles shall mutatis mutandis apply to the calls on debentures of the company.

Company to have lien on shares

Article 38 provides that

The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with other) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares, and no equitable interest in any shares shall be created except upon the footing and upon the condition that Article 22 hereof is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares.

Unless otherwise agreed for registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, in such shares.

If money payable on share not paid notice to be given to member

Article 41 provides that

If any member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued, and all expenses that may have been incurred by the Company by reason of such non-payment.

Register of Transfers

Article 52 provides that

The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.

Form of transfer

Article 53 provides that

Shares in the Company may be transferred by an instrument in writing as provided by the provisions of the Act, such instrument of transfer shall be in the form prescribed and shall be duly stamped and delivered to the Company within the prescribed period.

Directors may refuse to register transfers

Article 56 provides that

Subject to the provisions of Section 111 of the Act, Board may, in due and strict accordance and compliance with the provisions of Section 22A of the Securities Contract (Regulation) Act 1956, decline to register or acknowledge any transfer of shares, whether fully paid or not, (notwithstanding that the proposed transferee be already a member), but in such cases it shall, within two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer. The registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on shares.

Nomination of Shares / Debentures

Article 58A provides that

1. Every holder/joint holder of shares in or holder/joint holder of debentures of the Company, may at any time, nominate, in accordance with the provisions of and in the manner provided by Section 109A of the Companies Act, 1956 or any amendments thereof from time to time, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of the holder/joint holder.

2. Subject to the provisions of Section 109A of the Act, and Article 58A1 any person who becomes a nominee by virtue of the provisions of the Act, upon production of such evidence as may be required by the Board or any committee Board or any committee thereof, elect either to be registered himself as a holder of the shares or debenture as the case may be, as the deceased shareholder or debenture holder would have made, in accordance with the provisions of and in manner prescribed by section 109B of the Companies Act 1956 and any amendments thereto from time to time.

   Provided that the Board may, at any time, give notice requiring any such person to elect to be either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share or debenture, until the requirements of the notice have been complied with.

3. Any person, being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture except that he shall not before being registered as a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Fee on transfer or transmission

Article 63 provides that

No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

Power to borrow

Article 66 provides that

Subject to the provisions of Sections 292 and 293 of the Act the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company, provided however, that where the moneys, to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting.

Payment or repayment of moneys borrowed

Article 67 provides that

Subject to the provisions of Article 66 hereof, the payment or re-payment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Special Resolution shall prescribe including by the issue of debentures or debenture-stock of the Company, charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being; and debentures, debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Power to issue share warrants

Article 71 provides that

The Company may issue share warrants subject to, and in accordance with the provisions of Section 114 and 115 and accordingly the Board may in its discretion with respect to any share which is fully paid, upon application in writing signed by the persons 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.

Privileges and disabilities of the holder of Share warrant

Article 73 provides that

(1) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

(2) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the share included in the warrant; and he shall be a member of the Company.

Issue of new share warrant coupon

Article 74 provides that

The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

Shares may be converted into stock

Article 75 provides that

The Company in general meeting may convert any paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the same regulations as, and subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid-up shares of any denomination.

Annual General Meeting

Article 77 provides that

The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year. All General Meetings other than Annual General Meeting shall be called Extra-ordinary General Meetings. The first Annual General Meeting shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(i) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for at a time during business hours, on a day that is not a public holiday, and shall be held at the office of the Company or at some other place within the city in which the office of the Company is situate as the Board may determine and the Notice calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concern him as Auditor. At every Annual General Meeting of the Company, there shall be laid on the table the Director's Report and Audited Statement of Account, Auditor's Report (if not already incorporated in the Audited Statements of Account), the Proxy Register with proxies and the Register of Directors shareholdings which later Register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the Annual List of members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.

Extra-ordinary General Meeting

Article 78 provides that

The Board may, whenever it thinks fit, call an Extra ordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.

Requisition of Members to state object of meeting

Article 79 provides that

Any valid requisition so made by members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionist and be deposited at the office provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

On receipt of requisition Directors to call Meeting and in default requisitionists may do so

Article 80 provides that

Upon the receipt of any such requisition, the Board shall forthwith call an Extra-ordinary General Meeting and if they do not proceed within twenty-one days from the date of the requisition being deposited at the office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in Section 169 (4) of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

Omission to give notice not to invalidate a resolution passed

Article 83 provides that

The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

Quorum at General Meeting

Article 85 provides that

Five members present in person shall be the quorum for a General Meeting.

Chairman of General Meeting

Article 88 provides that

The Chairman (if any) of the Directors shall be entitled to take the Chair at every General Meeting whether Annual or Extra-ordinary. If there be no such Chairman of the Directors, or, if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the Chair, then the Vice-Chairman (if any) of the Directors shall be entitled to take the Chair and if there be no such Vice-Chairman or if he be not so present, the members present shall elect another director as Chairman, and if no Director be present or if all the Directors present decline to take the Chair, then the members present shall elect one of their member to be the Chairman.

Question in General meeting how decided

Article 91 provides that

At any General Meeting, a resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is (before or on declaration of the result of the show of hands) demanded by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid-up and unless a poll is demanded, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

Poll to be taken, if demanded

Article 92 provides that

If a poll is demanded as aforesaid, the same shall be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the city or town in which the Office of the Company is for the time being situated and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Number of votes to which member entitled

Article 97 provides that

Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every member, not disqualified by the last preceding Articles shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company. Provided, however, if any preference shareholder be present at any meeting of the Company save as provided in clause (b) of sub-section (2) of Section 87, of the Act, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.

Voting in person or by proxy

Article 101 provides that

Subject to the provisions of these Articles votes may be given either personally or by proxy. A body corporate being a member may vote either by a representative duly authorised in accordance with Section 187 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member.

Minutes of General Meeting and inspection thereof by Members

Article 111 provides that

(1) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting, entries thereof in books kept for that purpose with their pages consecutively numbered.

(2) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within that period or by a Director duly authorised by the Board for the purpose.

(3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(4) The minutes of each meeting shall contain a fair and correct summary of the proceeding thereat.

(5) All appointments of officers made at any meeting aforesaid shall be included in the minutes of the meeting.

(6) Nothing herein contained shall require or be deemed to require the inclusion in any such minute of any matter which in the opinion of the Chairman of the meeting (a) is or could reasonably be regarded as, defamatory of any person, or (b) is irrelevant or immaterial to the proceedings, or (c) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

(7) Any such minute shall be evidence of this proceedings recorded therein.

(8) The book containing the minutes of proceedings of General Meetings shall be kept at the office of the Company and shall be open during business hours, for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any Member without charge.

Number of Directors

Article 112 provides that

(1) Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors (excluding Debenture and Alternate Directors) shall not be less than four nor more than twelve.

(2) The first Directors of the Company shall be:

1. Shri Sajjan Jindal
2. Shri Henri Mayers
3. Shri Florent Gheeraert
4. Shri Prithvi Raj Jindal

Appointment of Alternate Director

Article 115 provides that

At the request of the concerned Director, the Board may appoint an Alternate Director to act for Director (hereinafter called "the Original Director") during his absence for a period of not less than three months in the State in which the meetings of the Board are ordinarily held. Alternate Director appointed under the Article shall not hold office for a period longer than that permissible to the Original Director in which place he has been appointed and shall vacate office if and when the Original Director returns to that State. If the term of Office of the Original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic re-appointment of retiring Director in defaulting of another appointment shall apply to the Original Director and not to the Alternate Director.

Director's power to add to the Board

Article 116 provides that

Subject to the provisions of Section 260, 261 and 264 of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be additional Director, but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 112. Any such additional Director shall hold office only up to the date of the next Annual General Meeting.

Director's power to fill casual vacancies

Article 117 provides that

Subject to the provisions of Section 261, 264 and 284 (6) of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated by him.

Remuneration of Directors

Article 119 provides that

(1) Subject to the provisions of the Act, a Managing Director and Directors, in the whole-time employment of the Company, may be paid remuneration either by way of a monthly payment, fee for each meeting or participation in profits or by any or all these modes and/or any other mode not expressly prohibited by the Act.

(2) Subject to the provisions of the Act a Director, who is neither in the whole-time employment nor a Managing Director may be paid remuneration either;

(i) by way of monthly, quarterly and annual payment with the approval of the Central Government; or

(ii) by way of commission if the Company by a special resolution authorised such payment.

(3) Unless otherwise determined by the Company in general meeting, the fee payable to a Director for attending a meeting of the Board or Committee thereof shall be such amount as may be fixed by the Board of Directors, from time to time, subject to such limits, if any, as may be prescribed under the Act.

When office of Directors to become vacant

Article 122 provides that

Subject to Section 283(2) and 314 of the Act the office of a Director shall become vacant if:

(a) he is found to be of unsound mind by a Court of Competent jurisdiction; or

(b) he applies to be adjudicated an insolvent;

(c) he is adjudged an insolvent;

(d) He fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the date fixed for the payment of such call unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or

(e) he absents himself from three consecutive meetings of the Directors or from all meetings of the Directors for a continuous period of three months whichever is longer, without leave of absence from the Board; or

(f) he becomes disqualified by an order of the Court under Section 203 of the Act; or

(g) he is removed in pursuance of Section 284; or

(h) he (whether by himself or by any person for his benefit on his account) or any firm in which he is a partner or any private company of which he is director, accepts, a loan or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or

(i) he acts in contravention of Section 299 of the Act; or

(j) he is convicted by a Court of an offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months;

(k) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;

(l) he resigns his office by a notice in writing addressed to the Company.

Director may contract with Company

Article 123 provides that

(1) A Director or his relative, firm in which such Director or relative is a partner, or any other partner in such firm of a private company of which the Director is a member or director may enter into any contract with the Company for the sale, purchase or supply of any goods, materials, or services or for underwriting the subscription of any shares in or debentures of the Company, provided that the sanction of the Board is obtained before or within three months of the date on which the contract is entered into in accordance with Section 297 of the Act.

(2) No sanction shall however, be necessary for

(a) any purchase of goods and materials from the Company, or the sale of goods and material to the Company, by any such Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or

(b) any contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company or the Director, relative, firm, partner or private company, as the case may be regularly trade or does business, where the value of the goods and materials or the cost of such services does not exceed Rs. 5,000 in the aggregate in any year comprises in the period of the contract or contracts.

Provided that in circumstances of urgent necessity, a Director, relative, firm, partner or private company as aforesaid may without obtaining the consent of the Board enter into any such contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value such goods or the cost of such services exceeds Rs. 5,000 in the aggregate in any year comprised in the period of the contract if the consent of the Board shall be obtained to such contract or contracts at a meeting within three months of the date on which contract was entered into.

Disclosure of Interest

Article 124 provides that

A Director of the company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299(2) of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other Company where any of the Directors of the Company or two or more of them together holds not more than two per cent of the paid-up share capital in any such Company.

Interested Directors not to participate or vote in Board's proceedings

Article 126 provides that

No Director shall as a Director, take any part in the discussion of, or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way whether directly or indirectly, concerned or interested in such contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however that nothing herein contained shall apply to

(a) any contract of indemnity against any loss which the Directors, or any one or more of them may suffer by reason of becoming or being sureties or a surety for the Company.

(b) any contract or arrangement entered into or to be entered into with a public company or private company which is a subsidiary of a public company in which the interest of the Director consists solely:

(i) in his being -

(x) a director of such company, and

(y) the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such director by the Company.

(ii) in his being a member holding not more than 2% of its paid-up share capital.

Board may appoint Managing Director or Managing Directors etc.

Article 138 provides that

Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any one or more of its number as the Managing Director or Managing Directors or whole time Directors (including Technical Director) of the Company for fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and subject to the provisions of Article 139, the Board may, by resolution, vest in such Managing Director or Managing Directors or whole-time Director or Directors (including Technical Director) such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine. The remuneration of a Managing Director or Managing Directors or Whole-time Director or Directors (including Technical Director) may be, by way of monthly payment, fee for each meeting or participation in profits, or by any or all these modes, and/or any other mode not expressly prohibited by the Act.

Article 139 provides that

The Managing Director shall not exercise the powers to,

(a) make calls on shareholders in respect of money unpaid on the shares in the Company.

(b) issue debentures.

and except as per the resolution passed at the Board Meeting under Section 292 of the Act, shall also not exercise the powers to,

(c) borrow moneys, otherwise than on debentures;

(d) invest the funds of the Company and

(e) make loans.

Certain person not to be appointed Managing Director

Article 140 provides that

The Company shall not appoint or employ, or continue the appointment or employment of a person as its Managing Director or Whole-time Director who

(a) is an undischarged insolvent, or has at any time been adjudged an insolvent

(b) suspends, or has at any time suspended, payment to his creditors, or makes or has at any time made, a composition with them; or

(c) is or has at any time been convicted by a Court of an offence involving moral turpitude.

Meeting of Directors

Article 142 provides that

The Director may meet together as a Board for the dispatch of business from time to time and shall so meet at least once in every three months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.

Powers of Directors

Article 155 provides that

The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in General Meeting.

(a) sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking;

(b) remit, or give time for the repayment of, any debt due by a Director;

(c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in clause (a), or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;

(d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose;

Provided further that the powers specified in section 292 of the Act shall subject to these Articles be exercised only at meetings of the Board unless the same be delegated to the extent therein stated; or

(e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed twenty five thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the financial years immediately preceding whichever is greater.

Certain powers of the Board

Article 156 provides that

Without prejudice to the general powers conferred by the last preceding article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have following powers, that is to say, power -

(1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.

(2) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereout under the provisions of Section 76 and 208 of the Act.

(3) Subject to Section 292, 297 ad 360 of the Act, to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.

(4) At their discretion and subject to the provisions of the act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds,

debentures, mortgages or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

(5) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of the Company and its uncalled capital for the time being or in such manner as they may think fit.

(6) To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.

(7) To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purposes and to execute and do all such deeds and things as may be required in relation to any trust, and provide for remuneration of such trustee or trustees.

(8) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow the time, for payment or satisfaction of any debts, due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon.

(9) To act on behalf of the Company in all matters relating to bankrupts and insolvents.

(10) To make and give receipts, releases, and other discharges for moneys payable to the Company and for the claims and demands of the Company.

(11) Subject to the provisions of Sections 292, 295, 369, 370, 372 and 372 A of the Act to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being shares of this Company) or without security and in such manner as they may think fit, and from time to time vary or realise such investments, save as provided in Section 49 of the Act, all investments shall be made and held in the Company’s own name.

(12) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company’s property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.

(13) To determine from time to time who shall be entitled to sign, on the Company’s behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give, the necessary authority for such purposes.

(14) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company, and to give to any officer or other person employed by the Company, a commission on the profits of any particular business or transactions; and to charge such bonus or commission as part of the working expenses of the Company.

(15) To provide for the welfare of Directors or ex-Directors or employees and ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of the houses, dwelling or chawls, or by grants of money pension, gratuities, allowances, bonus or other payments, or by creating, and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place s of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit; and to subscribe or contribute or otherwise to assist or to guarantee to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise.

(16) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund, or to an Insurance Fund, or as a Reserve Fund or Sinking Fund or any special fund to meet contingencies or to repay debentures or debenture-stocks, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes including the purposes referred to in the preceding clause, as the Board may, in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as require to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with or vary such investments and dispose of, apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company,

Notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of Reserve Fund or division of a Reserve Fund to another Reserve Fund or division of a Reserve Fund and with power to employ the assets constituting all or any of the above funds including the Depreciation Fund in the business of the Company or in the purchase or repayment of Debentures, debenture-stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, not exceeding nine per cent per annum.

(17) To appoint and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments or remuneration and to require security in such instances and to such amount as they may think fit. And also from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and the provisions contained in the four next following general powers conferred by this sub-clause.

(18) To comply with the requirements of any local law which in their opinion shall in the interests of the Company be necessary or expedient to comply with.

(19) From time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such Local Boards, and to fix their remuneration.

(20) Subject to Section 292 of the Act, from time to time, and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the board, other than their power to make calls or to make loans or borrow moneys, and to authorise the Members for the time being of any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed and may annual or vary any such delegation.

(21) At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the members of any local board established as abovesaid or in favour of any company, or the shareholders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

(22) Subject to Sections 294 and 297 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.

(23) From time to time to make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants.

Division of profits

Article 161 provides that

The profits of the Company subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid-up or credited as paid-up on the shares held by them respectively.

The Company in General Meeting may declare a dividend

Article 162 provides that

The Company in General Meeting may declare dividends to be paid to members according to their respective rights, but no dividend shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

Interim Dividend

Article 164 provides that

The Board may, from time to time, pay to the Members, such interim dividend as in their judgement the position of the Company justifies.

No interest on dividends

Article 172 provides that

No unpaid dividend shall bear interest as against the Company.

Capitalisation

Article 174 provides that

(a) The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account, or in the hands of Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the Share Premium Account) be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend ad in the same proportions and on the footing that they become entitled thereto as capital and on that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures or debenture-stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum. Provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of the Article, only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares.

(b) General Meeting may resolve that any surplus moneys, arising from the realisation of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to charge for income tax be distributed among the members on the footing that they receive the same as capital.

(c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of less value than Rs. 10/- may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalised fund as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Companies Act, 1956, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

Directors to keep true accounts

Article 175 provides that

The Company shall keep at the office or at such other place in India as the Board thinks fit, proper Books of Account in accordance with Section 209 of the Act with respect to -

(a) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place;

(b) all sales and purchases of goods by the Company.

(c) the assets and liabilities of the Company

Where the Board decides to keep all or any of the Books of Account at any place other than the office of the Company, the Company shall within seven days of the decision file with the Registrar a notice in writing giving full address of that other place.

Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper Books of Account relating to the transactions effected at the branch office are kept at the branch office and proper summarised returns, made up to date at intervals of not more than three months, are sent by the branch office to the Company at its office or other place in India at which the Company's Books of Account are kept as aforesaid.

The Books of Account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transactions. The Books of Account and other books and papers shall be open to inspection by any Director during business hours.

As to inspection of accounts or books by Members

Article 176 provides that

The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors, and no member (not being a Director) shall have any right of inspecting of any account or books or document of the Company except as conferred by law or authorised by the Board.

Statement of Accounts to be furnished to General Meeting

Article 177 provides that

The Directors shall from time to time in accordance with Section 210, 211, 212, 215, 216 and 217 of the Act, cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, Profit and Loss Accounts and Reports as are required by these sections.

Service of documents or notices on members by Company

Article 181 provides that

(1) A document or notice may be served or given by the Company on any member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, supplied by him to the Company for serving documents or notice on him.

(2) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so; service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of a notice of a meeting at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case, at the time, at which the letter would be delivered in the ordinary course of post.

Liquidator may divide assets in specie

Article 189 provides that

The liquidator on any winding-up (whether voluntary, under supervision or compulsory) may, with the sanction of a special resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie any of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories as the liquidator with the like sanction shall think fit.

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 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 Red Herring Prospectus, delivered to the Registrar of Companies, Mumbai for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of our Company from 10.00 am to 4.00 pm on working days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts to the Issue

1. Engagement letter dated July 21, 2009 from our Company appointing the BRLMs.

2. Memorandum of Understanding between our Company and the BRLMs dated August 7, 2009.

3. Memorandum of Understanding between our Company and the Registrar to the Issue dated October 22, 2009.

4. Escrow Agreement dated [•] between the Company, the BRLMs, the Escrow Banks and the Registrar to the Issue.

5. Syndicate Agreement dated [•] between the Company, the BRLMs and the Syndicate Members.

6. Underwriting Agreement dated [•] between the Company, the BRLMs and the Syndicate Members.

7. Letter dated October 26, 2009 by the Monitoring Agent accepting the appointment as the Monitoring Agency.

Material Documents

1. Our Memorandum and Articles of Association as amended from time to time.

2. Our certificate of incorporation.

3. Board resolutions dated July 21, 2009 and IPO Committee resolutions dated August 13, 2009 in relation to the Issue.

4. Shareholders' resolutions dated July 27, 2009 in relation to the Issue.

5. Auditor's report, including statement of tax benefits, dated November 16, 2009 on the restated, consolidated and unconsolidated financial statements of the company by Lodha & Co., Chartered Accountants.

6. Shareholders' resolutions of the general body for appointment and remuneration of our Chairman and Managing Director.

7. Shareholders' resolutions of the general body for appointment and remuneration of our Whole Time Director and Agreement between our Company and the Whole Time Director.

8. Certificate from Lodha & Co., Chartered Accountants, on the break up of the specific purposes for which the rupee term loan facility of Rs. 4,750 million was provided by IDBI Bank Limited pursuant to the Facility Agreement dated September 29, 2008.

9. Copies of annual reports of our Company for the last five financial years.

10. Consent of Lodha & Co., Chartered Accountants, our Auditors for inclusion of their report on restated financial statements in the form and context in which they appear in the Red Herring Prospectus.

11. Consents of Auditors, Bankers to the Company, BRLMs, Registrar to the Issue, Domestic Legal Counsel to the Company, Domestic Legal Counsel to the Underwriters, International Legal Counsel to the Underwriters, Directors of the Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.

12. IPO Grading report dated September 9, 2009 by CARE and the revalidation letter dated November 6, 2009 issued by CARE.

13. Scheme of Demerger between JSWEIPL and JSWEL.

14. Scheme of Amalgamation of JSWPTL and JSWEVL with JSWEL.

15. Due Diligence certificate from the BRLMs dated August 13, 2009.

16. Initial listing applications dated August 14, 2009 filed with BSE and NSE.

17. In-principle listing approval dated September 4, 2009 and September 8, 2009 from BSE and NSE respectively.

18. Tripartite Agreement between NSDL, our Company and Karvy Computershare Private Limited dated September 26, 2001.

19. Tripartite Agreement between CDSL, our Company and Karvy Computershare Private Limited dated January 2, 2008.

20. SEBI observation letter no. CFD/DIL/ISSUES/PB/MKS/182393/2009 dated November 6, 2009 and in-seriatim reply to same dated November 17, 2009.

Key Contracts in relation to the business of the Company

1. Coal Sales Purchase Contract dated January 4, 2008 between JSWEL and PT Sungai Belati Coal.

2. Amendment Agreement dated July 10, 2009, amending the Coal Sales Purchase Agreement dated December 26, 2007 between JSWEL and PT Sungai Belati Coal.

3. Coal Supply Agreement dated January 4, 2008 between JSWEL and JSW Natural Resources Mozambique Limitada.

4. Share Purchase Agreement dated January 18, 2007 between Mr. Bhopinder Singh, Mr. Dicky Irawan and JSWEL, JSWPTC and PT Param Utama Jaya.

5. Joint Venture Agreement dated August 5, 2008 between JSWEL and Maharashtra State Electricity Transmission Company Limited.

6. Joint Venture Agreement dated May 7, 2008 between the JSWEL, JSWSL and Toshiba Corporation.

7. Services and Assistance Agreement dated September 7, 2009 between JSWEL and Toshiba JSW Turbine and Generator Private Limited.

8. MoU dated January 8, 2008 between JSWEL and JSW Power Trading Company Limited.

9. MoU dated February 4, 2009 between JSWEL and Tractebel Engineering, Belgium.

10. MoU dated November 14, 2007 between JSWEL and IDFC.

11. MoU dated July 10, 2009 between JSWEL and Ministry of Natural Resources and Energy, Government of Swaziland.

12. MoU dated April 29, 2009 between JSWEL and Maharashtra State Electricity Distribution Company Limited.

13. MoU dated July 7, 2009 between Toshiba JSW Turbine and Generator Private Limited and Government of Tamil Nadu.

14. Power Purchase Agreement dated August 31, 2006 between JSWEL and JSWSL.

15. Operations and Maintenance Agreement dated August 17, 2006 between JSWEL and JSWSL.

16. Lease cum Sale Agreement dated November 18, 1996 between Karnataka State Industrial Investment and Development Corporation Limited and JSWEL.

17. Fuel and Water Supply Agreement dated December 12, 2001between JSWSL and JSWEL.

18. Power Purchase Agreement dated September 21, 2006 between JSWEVL and JSW Steel Limited.

19. Power Purchase Agreement dated October 1, 2008 between JSWEVL and JSWCL.

20. Coal Sales Purchase Agreement dated December 26, 2007 between JSWEVL and PT Sungai Belati Coal.

21. Amendment Agreement dated July 10, 2009, amending the Coal Sales Purchase Agreement dated December 26, 2007 between JSWEVL and PT Sungai Belati Coal.

22. Letter Agreements dated February 4, 2009 between JSWEL and JSWSL for supply of water and coal handling.

23. Share Purchase Agreement dated February 10, 2006 between Maharaj Jai Singh, Maharaj Prithvi Raj, SMS Investment Corporation Private Limited, JSWEL and RWPL.

24. Amended and Restated Consortium Agreement dated February 28, 2006 between JSWEL, South West Mining Limited and RWPL.

25. Implementation Agreement dated May 29, 2006 between Government of Rajasthan and RWPL.

26. Consent Agreement dated March 17, 2006 between RWPL and Rajasthan Discoms.

27. Project Implementation Agreement dated March 8, 2007 between RWPL and JSWEL.

28. Power Purchase Agreement dated October 26, 2006 between Jaipur Vidyut Vitran Nigam Limited, Ajmer Vidyut Vitran Nigam Limited and Jodhpur Vidyut Vitran Nigam Limited and RWPL.

29. Joint Venture Agreement dated December 27, 2006 between Rajasthan State Mines and Minerals Limited and RWPL.

30. Water Supply Agreement dated February19, 2007 between the Government of Rajasthan and RWPL.

31. Fuel Supply Agreement dated February16, 2008 between RWPL and Barmer Lignite Mining Company Limited.

32. MoU dated July 1, 2009 between RWPL and Rajasthan State Mines and Minerals Limited.

33. MoU dated June 10, 2005 between the Government of Maharashtra and JSWEL.

34. Project Implementation Agreement dated March 25, 2007 between JSWERL and JSWEL.

35. Steam Coal Sale and Purchase Agreement dated October 10, 2006 between China National Minerals Company Limited and JSWERL.

36. Land Lease Agreements dated November15, 2007 and March 6, 2007 between JSWSL and JSWERL.

37. Deed of Rectification dated February 3, 2009 between JSWERL and JSWSL, with respect to the lease deed dated November 15, 2007.

38. Deed of Amendment dated April 9, 2009 amending the Land Lease Agreement dated November 15, 2007 between JSWSL and JSWERL.

39. Deed of Amendment dated April 9, 2009 amending the Land Lease Agreement dated March 6, 2007 between JSWSL and JSWERL.

40. Coal Sales Purchase Agreement dated December 26, 2007 between JSWERL and PT Sungai Belati Coal.

41. Amendment Agreement dated July 10, 2009, amending the Coal Sales Purchase Agreement dated December 26, 2007 between JSWERL and PT Sungai Belati Coal.

42. Memorandum of Agreement dated June 5, 2007 between JSWERL, JSW Jaigarh Port Limited and JSWIL.

43. Power Purchase Agreement dated January 15, 2009 between JSWEL and Maharashtra State Electricity Distribution Company Limited.

44. Power Purchase Agreement dated February 14, 2009 between JSWERL and Adani Enterprises Limited.

45. MoU dated March 3, 2008 between JSWERL and Maharashtra Industrial Development Corporation.

46. Pre-Implementation Agreement dated March 1, 2008 between the Company and Government of Himachal Pradesh.

47. Consultancy Agreement dated March 14, 2008 between JSWEL and SNC-Lavalin Engineering India Private Limited.

48. Transmission Development Agreement dated June 11, 2009 between JSWERL and JPTL.

49. Bulk Power Transmission Agreement June 11, 2009 between JSWERL and JPTL.

50. MoU dated September 11, 2006 between the Government of Jharkhand and JSWEL.

51. MoU dated October 22, 2007 for the extension of the validity of the MoU dated September 11, 2006 between the Government of Jharkhand and JSWEL.

52. Joint Venture Agreement dated November 12, 2007 between JSWSL, JSWEL, Jindal Stainless Limited, Shyam DRI Power Limited and Mahanadi Coalfields Limited.

53. Development Agreement dated January 11, 2007 between the Government of West Bengal, West Bengal Industrial Development Corporation Limited, West Bengal Mineral Development and Trading Corporation Limited and JSWSL.

54. MoU dated February 1, 2008 between JSWEL and Government of Chhattisgarh.

55. MoU dated January 12, 2007 between JSWEL and Government of Gujarat.

56. MoU dated January 12, 2009 between JSWEL and Government of Gujarat.

57. MoU dated March 17, 2008 between JSWEL and Government of Madhya Pradesh.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of the 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 Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Red Herring Prospectus are true and correct.

Signed by the Directors of our Company

Mr. Sajjan Jindal

Mr. S.S. Rao

Mr. Tilak Raj Bajalia

Mr. P. Abraham

Mr. D.J. Balaji Rao

Mr. Chandan Bhattacharya

Mr. J.K. Tandon

Mr. Shailesh F. Shah

Signed by the Chief Financial Officer

Date: 20/11/2009

Place: Mumbai

CARE Ratings

CREDIT ANALYSIS &
RESEARCH LTD.
4[TH] Floor, Godrej Coliseum,
Somaiya Hospital Road,
Off Eastern Express Highway,
Sion (East), Mumbai - 400 022, INDIA.
☎: 67543456 Fax : (022) 67543457
E-mail : care@careratings.com
www.careratings.com

Mr. Pramod Menon
Chief Financial Officer
JSW Energy Limited
The Enclave, New Prabhadevi Road,
Off Appasaheb Marathe Marg,
Prabhadevi, Mumbai – 400 025

September 9, 2009

Confidential

Dear Sir,

IPO Grading

Please refer to your request for grading of the Initial Public Offering (IPO) of JSW Energy Ltd.

2. CARE has assigned **'CARE IPO Grade 4' [Grade Four]** to the proposed IPO issue of JSW Energy Ltd. **'CARE IPO Grade 4'** indicates **above average fundamentals**. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. CARE's IPO grading is an opinion on the fundamentals of the issuer. The grade assigned to any individual issue represents a relative assessment of the 'fundamentals' of the issuer.

3. Please note that wherever **'CARE IPO Grade 4' [Grade Four]** appears, it should invariably be followed by the definition 'CARE IPO Grade 4' [Grade Four] indicates 'above average fundamentals'.

4. The explanatory notes regarding the grading symbols of CARE for IPO grading are given in **Annexure 1**. The rationale for this grading will be communicated to you separately.

5. Please arrange to get the grading revalidated, in case the proposed IPO issue is not made within two months from the date of this letter.

6. Please note that the IPO grading is a one time exercise undertaken before an IPO issue and it does not have any ongoing validity.

7. Please note that as per the existing regulations, CARE is required to disclose all IPO gradings. As such, in the absence of any request for review of grading within a week of this letter, CARE will disclose this IPO grading to the public.

8. Please note that the disclaimer as given hereunder should be disclosed wherever the IPO grading assigned by CARE is mentioned, including offer document and issue prospectus.

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

Thanking You,

Yours faithfully,

[Anubhav Sharma]
Dy.Manager

[Puneet Bhatia]
Manager

Encl : As above

DISCLAIMER:
CARE's IPO grading is a one time assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospects of the issuer; also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading.

CREDIT ANALYSIS & RESEARCH LTD. 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai-400 022, INDIA.
• ☎ : 6754 3456 • E-mail : care@careratings.com • Fax : 6754 3457 • www.careratings.com

Annexure 1

CARE IPO grading Scale

CARE IPO grade	Evaluation
CARE IPO Grade 5	Strong fundamentals
CARE IPO Grade 4	Above average fundamentals
CARE IPO Grade 3	Average fundamentals
CARE IPO Grade 2	Below average fundamentals
CARE IPO Grade 1	Poor fundamentals

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CARE Ratings

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Mr. Pramod Menon,
Chief Financial Officer,
JSW Energy Limited,
The Enclave, New Prabhadevi Road,
Off Appasaheb Marathe Marg,
Prabhadevi, Mumbai – 400 025

October 9, 2009

Dear Sir,

IPO Grading

Please refer to our letter dated September 9, 2009 on the above subject.

2. The rationale for the IPO grading is attached as **Annexure - I**. Kindly note that the rationale would be published in the forthcoming issue of our quarterly journal, 'CAREVIEW'.

3. A write-up on the above IPO grading is proposed to be issued to the press shortly. A draft of the press release is enclosed for your perusal as **Annexure - II**.

4. We request you to peruse the Rationale and Press Release and offer your comments, if any. We are doing this as a matter of courtesy to our clients and with a view to ensuring that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by October 15, 2009, we will proceed on the basis that you have no comments to offer.

If you have any further clarifications, you are welcome to approach us.

Thanking you,

Yours faithfully,

PBhatia

[Puneet Bhatia]
Manager

Encl: As above

Annexure I

IPO Grading Rationale

JSW Energy Limited

IPO Grading **CARE IPO Grade 4**

CARE has assigned a **'CARE IPO Grade 4' [Grade Four]** to the proposed IPO issue of JSW Energy Ltd. (JSWEL). **'CARE IPO Grade 4'** indicates **above average fundamentals.** CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. CARE's IPO grading is an opinion on the relative assessment of the fundamentals of the issuer. JSWEL is proposing an IPO of equity shares up to Rs.3,000 crore.

The grading factors in the promoter's experience in setting up and operating thermal power plants, experienced and professional management, improved profitability in recent years, satisfactory corporate governance practices, achievement of financial closure (debt) for the proposed projects, presence of long-term fuel supply agreements, combination of long-term and short-term power off-take agreements and favourable industry scenario.

The grading is, however, constrained by project implementation risk involving multi-fold leap in capacity compared to present operations, exposure to volatile fuel prices and risk related to foreign exchange commitments.

Company Background

JSWEL, incorporated in 1994, is a part of the JSW Group, headed by Mr. Sajjan Jindal and having presence in the steel, power, cement, aluminium, software, power trading and infrastructure sectors. JSWEL is the holding company for the JSW group's power business. The company currently owns and operates thermal power plants in Karnataka with an aggregate capacity of 860 MW. It also provides operation & maintenance services for power plants of group companies and project management services for the power plants being set up by the group. JSWEL is currently in the process of enhancing its power generation capacity by 2,790 MW. It is also setting up a transmission line network and developing lignite mines through joint ventures.

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Management

JSWEL's Joint Managing Director and Chief Executive Officer - Mr. S.S. Rao, has about 39 years of experience in establishing and operating thermal power projects. He is assisted by a team of professionals having good experience in the power sector.

Corporate Governance

The company has four independent Directors out of total number of eight Directors on the Board. The existence of the independent and non-executive Directors, in letter and spirit, helps to separate the ownership and the management of the company. According to the SEBI guidelines, the company has formed committees such as Audit Committee, Remuneration Committee and Share Holders'/Investors' Grievances Committee.

Operations

JSWEL is engaged in the business of thermal power generation. It has an installed capacity of 860 MW, in Toranagallu Village, Bellary District, Karnataka divided into SBU-I (260 MW) and SBU-II (600 MW).

SBU – I (260-MW power plant)

JSWEL has a 2x130 MW dual fuel (coal and gas) power plant which is operational since 2000. Operation and maintenance of this power plant is handled internally by JSWEL. JSWEL has an agreement with JSW Steel Ltd (JSWSL) for the supply of fuel and water at cost to the power plant until 2031. JSWSL has the option of providing fuel by way of a mixture of gas or coal in any proportion. Currently, JSWSL is providing a significant portion of fuel in the form of coal, while in the past JSWSL has supplied fuel with significant portion being in the form of gas. JSWEL has also applied to the Ministry of Coal (MoC), Government of India (GoI), for a long-term coal linkage for this plant in order to reduce costs and reliance on fuel supply from JSWSL.

JSWEL currently sells power under two Power Purchase Agreements (PPAs). JSWEL has a long-term PPA with JSWSL upto March 31, 2012, for supply of power to JSWSL. The tariff is fixed at Rs.2.60 per kWh, with a base fuel cost of Rs.1.30 per kWh. Based on variations in the fuel cost from the base rate per kWh, corresponding adjustment is made to the above tariff. JSWEL also has a PPA with JSW Power Trading Company Ltd (JSWPTCL) for sale of surplus power after meeting JSWSL's power requirements.

Capacity and Generation

Particulars	FY06	FY07	FY08	FY09
Installed Capacity (MW)	260	260	260	260
Gross Unit Generated (MU)	2,049	2,062	2,231	2,229
Auxiliary Consumption (%)	7.06	7.23	7.33	7.78
Availability Factor (%)	96.78	96.22	97.30	97.22
Plant Load Factor (PLF) (%)	89.96	90.54	97.67	97.88

SBU – II (600-MW power plant)

This project previously formed part of JSW Energy Vijayanagar Ltd (JSWEVL), which merged with JSWEL with effect from April 1, 2008. The project involved development of a coal-based power plant with two units of 300 MW each at Vijayanagar (Karnataka). The first 300 MW unit was commissioned in April 2009 and started commercial operations on July 1, 2009. The second unit was commissioned in July 2009 and is expected to start commercial power generation in November 2009.

JSWEL's SBU-II proposes to sell power under long-term PPAs to JSWSL (300 MW) and JSW Cement Ltd. (18 MW). For the balance, it has a short-term PPA with JSWPTCL. SBU II is currently purchasing a majority of its fuel requirement from the open market with a portion of the power plant's fuel requirements being satisfied by contracts with PT Sungai Belati Coal, Indonesia. Going forward, the fuel requirement is expected to be satisfied in full over a period of two years through fuel supply agreement with PT Sungai Belati Coal. JSWEL-SBU II has also applied to MoC, for a long-term domestic coal linkage for its power plants in order to reduce costs and price volatility on imported coal.

New Projects

JSWEL is currently expanding the power generation capacity by 2,790 MW on its own and through subsidiaries. Out of the four projects, two projects aggregating total capacity of 2,280 MW are under construction whereas two projects with total capacity of 510 MW are under implementation (where construction work has not begun). The company is also setting up transmission lines in the State of Maharashtra and developing lignite mine in State of Rajashthan. The cost of all these projects is estimated at Rs.14,048 crore and is being funded in a debt to equity ratio of 2.45:1 i.e. long-term debt of Rs.9,979.50 crore and equity of Rs.4,068.50 crore. The company has already tied up the total debt component while, funds aggregating Rs.5,982 crore were deployed in the various projects as on June 30, 2009.

Power Generation Projects:

The projects are being carried out through subsidiaries JSW Energy (Ratnagiri) Ltd (JSWERL) 1,200 MW and Raj West Power Ltd (RWPL) 1,350 MW. Additionally, JSWEL is setting up a hydro project of 240 MW capacity on its own in Kutehr, Himachal Pradesh.

JSWEL has entered into a fuel supply as well as fuel transportation agreements for its projects and plans to sell the power generated in a combination of long-term and short-term PPAs. The brief particulars of the power projects are as under –

Particulars	JSWERL	RWPL (Phase-I)	RWPL (Phase-II)	JSWEL (Kutehr)
Location	Maharashtra	Rajasthan	Rajasthan	Himachal Pradesh
Fuel	Coal	Lignite	Lignite / Coal	Hydro
Capacity (MW)	1,200	1,080	270	240
Status	Under construction	Under construction	Under implementation	Under implementation
COD*	April, 2011	April, 2011	January, 2013	September, 2015
Financial Information (Rs. crore)				
Project Cost	4,500	5,000	1,350	1,915
- Equity	1,125	1,250	338	8350
- Debt	3,375	3,750	1,012	1,080
Amount deployed as on 30/06/2009	*2,029*	*3,677*	*62*	*12*
As a % of total cost	45	74	5	1
- Equity as on 30/06/2009	706	962	62	12
- Debt as on 30/06/2009	1,323	2,715	-	-
Power off-take arrangements				
Type	Long- term and short-term PPA #	Long-term PPA with Rajasthan State Discoms	Short-term PPA with JSWPTCL	Short-term PPA with JSWPTCL
Fuel Supply Arrangements				
Supplier	PT Sungai Belati Coal, Indonesia	BLMCL	BLMCL and PT Sungai Belati Coal, Indonesia	N.A.

** Commercial Operation Date*

 # Long-term PPA with Maharashtra State Electricity Distribution Co. Ltd for 300 MW, long-term PPA with Adani Enterprise Ltd for 270 MW and Short-term PPA with JSWPTCL for the balance.

Although, JSWEL has prior experience of constructing power plant (with operational power generation capacity at 860 MW), managing such a magnitude of projects, without any cost and time overrun, posts a project execution risk.

Lignite mining project

Barmer Lignite Mining Company Ltd (BLMCL) is a 51:49 joint venture of RWPL and Rajasthan State Mines and Minerals Limited (RSMML). BLMCL is developing the Jalipa and

Kapurdi mines for the supply of lignite to the 1,350 MW lignite-based power project being set up by RWPL in Rajasthan. The cost of the mine project is estimated at Rs.702.84 crore, to be funded in the debt to equity ratio of 1.15:1. As of June 30, 2009, BLMCL had spent about Rs.85 crore on the project. BLMCL expects to commission the mines by July 2010 which is proposed to ramp up to full capacity over a period of three years.

Transmission network project

Jaigad Power Transco Ltd (JPTL) is a 74:26 joint venture of JSWEL and Maharashtra State Electricity Transmission Co.Ltd (MSETCL). JPTL is constructing two 400-kV double-circuit transmission lines from JSWERL plant at Jaigad (Maharashtra) to the state utility sub-stations located at New Koyna and Karad, approximately 57 km and 112 km away, respectively. The cost of the project estimated at Rs.580 crore, is being financed by equity of Rs.145 crore and tied-up debt of Rs.435 crore. As of June 30, 2009, JPTL had spent Rs.105.92 crore on the project. JPTL expects to complete the construction and commissioning of the transmission lines by June 2010.

IPO Issue Details

JSWEL is proposing to make an IPO of equity shares (number of equity shares not yet ascertained) for cash at the market-determined price per share, having face value of Rs.10 per share. JSWEL proposed to raise upto Rs.3,000 crore from the IPO. The proceeds from the issue of shares are intended to be deployed as follows:

1. To partially finance construction and development of the identified projects aggregating 2,790 MW in power generation capacity, the 400-KV transmission line project (JPTL) and the lignite mining venture (BLMCL).
2. Repayment of corporate debt.
3. General corporate purposes.

Financial Results

Net sales increased at a Compounded Annual Growth Rate (CAGR) of 32.46% from FY06 to FY09 due to improved PLF and higher tariffs. In FY09, net sales increased by 33.27% y-o-y mainly due to improvement in average sales realisation from Rs.4.48 per unit to Rs.6.00 per unit driven by improvement in realisation from short-term sale of power through JSWPTCL. Other operating income included sale of Certified Emission Reduction (CER), project management fee for setting up power plants of various subsidiaries and income from

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operating & maintenance services. Other income was higher in FY08 mainly due to sales of CER amounting to Rs.327.56 crore, a one-time income. Consequently, total income was flat in FY09, while PBILDT dipped by Rs.265 crore, as there was no CER income in FY09.

PBILDT margin dipped in FY09 due to absence of CER income coupled with sharp increase in cost of fuel from Rs.312 crore in FY08 to Rs.620 crore in FY09, which the company could not fully pass on to its customers. However, JSWEL still enjoys higher PBILDT margin by way of selling power through short-term PPA, where it enjoys higher realisation. Interest expenses increased sharply in FY09 due to increase in long-term debt for ongoing projects as well as additional general purpose loan availed by the company. Increase in interest cost and lower PBILT caused a dip in the interest coverage ratio in FY09. PAT dipped by 33.39% in FY09 due to dip in PBILDT and higher interest cost.

Networth of JSWEL increased as at end-FY09 due to amalgamation of JSWEVL & JSWPT with JSWEL coupled with accretion to reserves in FY09. The gearing ratios increased sharply as at end-FY09 due to increase in total debt. Total debt increased as at end-FY09 due to general corporate purpose loan availed and amalgamation of JSWEVL, which has set up a 600-MW power plant at the cost of Rs.1,860 crore, funded in the debt to equity ratio of 3:1. EPS declined from Rs.16.83 in FY08 to Rs.10.58 in FY09 on account of lower profitability in FY09 as well increase in number of equity shares in FY09 due to amalgamation of JSWEVL and JSWPTL with JSWEL.

Industry Outlook

The GoI has developed a national electricity policy, which aims at accelerating the development of the power sector which includes setting up additional power generation capacities. This policy is being promoted by the Ministry of Power as 'Mission 2012: Power for All'. By 2011-12, the total energy requirement and peak demand is projected to increase to 974,974 million units and 157,107 MW, respectively. The country faced average energy deficit of 11% and peak deficit of 12.7% in the year 2008-09. According to the Central Electricity Authority (CEA), as on July 31, 2009, India had an installed power generation capacity of 151,073 MW (excluding captive capacity of 19,509 MW). Thermal power plants powered by coal, gas, naphtha or oil accounted for 64.1%, hydroelectric stations accounted for 24.4% and other sources (including renewable sources of energy and nuclear stations) accounted for 11.5% of the total power capacity. The Central Public Sector Units (PSUs) accounted for 33.10%, various state entities accounted for 51.44% and private sector companies accounted for 15.46% of the total power generation capacity. During the Eleventh Five Year Plan, GoI is targeting to add another 78,700 MW capacity. Out of a total target capacity of 27,397 MW for the first two years of 11th plan, only 12,717 MW (around 46%) could be added.

Prospects

Future growth prospects of the company largely depend on the successful completion of the projects. All the projects under implementation or construction stage require additional equity contribution of Rs.2,157 crore from JSWEL. Any delay in the equity infusion, or absence of alternate funding arrangement would hamper the progress of the projects. However, in the past JSWEL has been able to infuse equity in the projects through internal accruals. On the successful commissioning of the projects, JSWEL would have benefit of the prevailing high merchant tariff for short term. Given the significant power supply deficit in the country, low per capita consumption of power in India compared to the world average and GoI recognising the power sector as a key infrastructure sector to be developed to sustain Indian economic growth, prospects for growth are favourable for companies in the power sector.

Financials

(Rs. crore)

For the year / As on March 31,	Mar-06	Mar-07	Mar-08	Mar-09
Working Results				
Net Sales (Power)	531	730	926	1,234
Other Operating Income	11	49	648	357
Total Income	542	779	1,574	1,591
PBILDT	241	456	1,108	844
Interest and Finance Charges	46	63	83	120
Depreciation	58	58	59	60
PAT (After Deferred Tax)	119	319	868	578
Gross Cash Accruals	192	389	939	651
Financial Position				
Net Fixed Assets	716	667	617	568
Net Working Capital	90	105	7	(49)
Equity Share Capital	289	347	515	547
Tangible net worth	726	917	1,339	2,046

For the year / As on March 31,	Mar-06	Mar-07	Mar-08	Mar-09
Total Debt	438	617	850	2,331
Total Capital Employed	1,164	1,534	2,189	4,378
Ratios				
Profitability (%)				
PBILDT / Total Operating Income	44.51	58.54	70.38	53.07
PAT / Total Income	21.92	40.96	55.14	36.33
ROCE	-	31.94	57.71	23.98
RONW	-	38.87	76.93	34.15
Solvency (times)				
Long Term Debt Equity Ratio	0.58	0.54	0.62	1.13
Overall Gearing Ratio	0.60	0.67	0.63	1.14
Interest Coverage	4.00	6.33	12.63	6.52
Total Term Debt / Gross Cash Accruals	2.17	1.27	0.88	3.55
Liquidity				
Current Ratio	0.87	0.65	0.75	0.97^
Quick Ratio	0.79	0.58	0.68	0.86^
Turnover				
Average Collection Period (Days)	-	50	28	28
Average Creditors (Days)	-	67	80	64
Average Inventory (Days)	-	26	21	15
Book Value Per Share (Rs.)	25.11	26.43	26.02	37.44
EPS (Rs.)	4.11	9.21	16.86	10.58

^ *excluding project-related creditors.*

Annexure II

Press Release

CARE assigns 'CARE IPO Grade 4' to the proposed IPO of JSW Energy Ltd.

CARE has assigned a **'CARE IPO Grade 4' [Grade Four]** to the proposed IPO issue of JSW Energy Ltd (JSWEL). **'CARE IPO Grade 4'** indicates **above average fundamentals.** CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. CARE's IPO grading is an opinion on the relative assessment of the fundamentals of the issuer. JSWEL is proposing an IPO of equity shares up to Rs.3,000 crore for cash at the market-determined price per share, having face value of Rs.10 per share.

IPO Grading Rationale

The grading factors in the promoter's experience in setting up and operating thermal power plants, experienced and professional management, improved profitability in recent years, satisfactory corporate governance practices, achievement of financial closure (debt) for the proposed projects, presence of long-term fuel supply agreements, combination of long-term and short-term power off-take agreements and favourable industry scenario.

The grading is, however, constrained by project implementation risk involving multi-fold leap in capacity compared to present operations, exposure to volatile fuel prices and risk related to foreign exchange commitments.

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JSWEL is currently in the process of enhancing its power generation capacity by 2,790 MW on its own and through subsidiaries. It is also setting up a transmission line network and developing lignite mines through joint ventures. The total project cost is estimated at Rs.14,048 crore which is being funded in a debt to equity ratio of 2.45:1. The company has already tied up the total debt component of the project cost. As on June 30, 2009, funds aggregating Rs.5,982 crore were deployed in the projects. JSWEL has entered into a fuel supply as well as fuel transportation agreements for its projects and plans to sell the power generated in a combination of long-term and short-term Power Purchase Agreements (PPAs). Although JSWEL has prior experience of constructing power plant (with operational power generation capacity at 860 MW), implementing such projects posts a project execution risk.

JSWEL's net sales increased from Rs.531 crore in FY06 to Rs.1,234 crore in FY09, a Compounded Annual Growth Rate (CAGR) of 32.46% led by improvement in Plant Load Factor (PLF) and sales realisation over the years. In FY09, net sales of JSWEL increased by 33.27% y-o-y, mainly due to improvement in average sales realisation from Rs.4.48 per unit to Rs.6.00 per unit driven by improvement in realisation from short-term sale of power through JSW Power Trading Co. Ltd. Other operating income declined from Rs.648 crore in FY08 to Rs.357 crore in FY09 mainly due to absence of Certified Emission Reduction (CER) income, which was a one-time income in FY08 aggregating Rs.327.56 crore. Consequently, total income was flat in FY09, while PBILDT declined from Rs.1,108 crore in FY08 to Rs.844 crore in FY09. PBILDT margin also dipped in FY09 to 53.07% from 70.38% in FY08 due to absence of CER income as well as due to sharp increase in cost of fuel from Rs.312 crore in FY08 to Rs.620 crore in FY09, which the company could not fully pass on to its customers. However, JSWEL still enjoys higher PBILDT margin by way of selling power through short-term PPA at higher tariff. PAT declined from Rs.868 crore in FY08 to Rs.578 crore in FY09 due to dip in PBILDT and increase in the interest cost. Interest expenses rose sharply in FY09 to Rs.120 crore due to increase in long-term debt for the ongoing projects and additional general purpose loan availed by the company.

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DISCLAIMER:

CARE's IPO grading is a one time assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospects of the issuer; also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading.

CARE Ratings

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Mr. Pramod Menon,
Chief Financial Officer,
JSW Energy Limited,
The Enclave, New Prabhadevi Road,
Off Appasaheb Marathe Marg,
Prabhadevi, Mumbai – 400 025

November 6, 2009

Confidential

Dear Sir,

IPO Grading

Please refer to your request for grading of the Initial Public Offering (IPO) of JSW Energy Ltd.

2. CARE has assigned **'CARE IPO Grade 4' [Grade Four]** to the proposed IPO issue of JSW Energy Ltd. **'CARE IPO Grade 4'** indicates **above average fundamentals**. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. CARE's IPO grading is an opinion on the fundamentals of the issuer. The grade assigned to any individual issue represents a relative assessment of the 'fundamentals' of the issuer.

3. Please note that wherever **'CARE IPO Grade 4' [Grade Four]** appears, it should invariably be followed by the definition 'CARE IPO Grade 4' [Grade Four] indicates 'above average fundamentals'.

4. The explanatory notes regarding the grading symbols of CARE for IPO grading are given in **Annexure 1**.

5. Please arrange to get the grading revalidated, in case the proposed IPO issue is not made within two months from the date of this letter.

6. Please note that the IPO grading is a one time exercise undertaken before an IPO issue and it does not have any ongoing validity.

7. Please note that as per the existing regulations, CARE is required to disclose all IPO gradings. As such, in the absence of any request for review of grading within a week of this letter, CARE will disclose this IPO grading to the public.

8. Please note that the disclaimer as given hereunder should be disclosed wherever the IPO grading assigned by CARE is mentioned, including offer document and issue prospectus.
9. If you need any clarification, you are welcome to approach us in this regard.

Thanking You,

Yours faithfully,

Anubhav Sharma

[Anubhav Sharma]
Dy.Manager

PBhatia

[Puneet Bhatia]
Manager

Encl : As above

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CARE's IPO grading is a one time assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospects of the issuer; also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading.

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Annexure 1

CARE IPO grading Scale

CARE IPO grade	Evaluation
CARE IPO Grade 5	Strong fundamentals
CARE IPO Grade 4	Above average fundamentals
CARE IPO Grade 3	Average fundamentals
CARE IPO Grade 2	Below average fundamentals
CARE IPO Grade 1	Poor fundamentals

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