DRAFT RED HERRING PROSPECTUS
Dated September 8, 2010
Please read section 60B of the Companies Act, 1956
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Building Issue

IOT INFRASTRUCTURE & ENERGY SERVICES LIMITED

The Company was incorporated as Indian Oiltanking Limited on August 28, 1996 under the Companies Act, 1956, as amended (the "**Companies Act**") in Mumbai. The name of the Company was changed to IOT Infrastructure & Energy Services Limited on December 1, 2008. For details of changes in the name and registered office of the Company, see the section "History and Certain Corporate Matters" beginning on page 108 of this Draft Red Herring Prospectus.
Registered Office: 103 Spectra, Hiranandani Business Park, Powai, Mumbai, 400 076
Tel: (91 22) 6677 2700; **Fax**: (91 22) 6691 9599
Compliance Officer: Girjesh Shrivastava; **Tel**: (91 22) 6677 2725; **Fax**: (91 22) 6691 9599
Website: www.iotinfraenergy.com; **E-mail**: investor.relations@iotinfraenergy.com

PROMOTERS OF THE COMPANY: Indian Oil Corporation Limited, Oiltanking India GmbH and Oiltanking GmbH

PUBLIC ISSUE OF 72,746,622 EQUITY SHARES OF A FACE VALUE RS. 10 EACH OF IOT INFRASTRUCTURE & ENERGY SERVICES LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [●]# PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) CONSISTING OF A FRESH ISSUE OF 58,197,300 EQUITY SHARES AND AN OFFER FOR SALE OF 14,549,322 EQUITY SHARES BY INDIAN OIL CORPORATION LIMITED AND OILTANKING INDIA GMBH (THE "SELLING SHAREHOLDERS") (THE "OFFER FOR SALE" TOGETHER WITH THE FRESH ISSUE, THE "ISSUE") AGGREGATING TO RS. [●] MILLION THE ISSUE WILL CONSTITUTE 25.00% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY.
*# A discount of [●] to the Issue Price determined pursuant to completion of the Book Building Process may be offered to Retail Individual Bidders (the "**Retail Discount**").*

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH.
THE PRICE BAND, RETAIL DISCOUNT, IF ANY AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY THE COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ ISSUE OPENING DATE.

In case of a revision in the Price Band, the Bid/ Issue Period will be extended for at least three additional working days after revision of the Price Band, subject to the Bid/ Issue Period not exceeding 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 Bombay Stock Exchange Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**", and with the BSE, the "**Stock Exchanges**"), by issuing a press release and also by indicating the change on the website of the Book Running Lead Managers ("**BRLMs**") and at the terminals of the Syndicate.

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957 ("**SCRR**"), as amended, this is an issue for more than 25% of the post-Issue paid-up equity share capital. The Issue is being made through the 100% Book Building Process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIB**"). Provided that the Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis out of which one-third shall be reserved for domestic Mutual Funds. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% 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. Potential investors other than Anchor Investors may participate in this Issue through an Application Supported by Blocked Amount ("**ASBA**") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") for the same. For details, see the section "Issue Procedure" beginning on page 349 of this Draft Red Herring Prospectus.

RISK IN RELATION TO FIRST ISSUE

This being the first public issue of the Equity Shares of the Company, there has been no formal market for the Equity Shares of the Company. The face value of the Equity Shares is Rs. 10 each. The Issue Price is [●] times of the face value. The Issue Price (as determined and justified by the Company, the Selling Shareholders and the BRLMs as stated under the section "Basis for Issue Price" beginning on page 47 of this Draft 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 and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

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

ISSUER'S ABSOLUTE RESPONSIBILITY

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

The Selling Shareholders accept responsibility that this Draft Red Herring Prospectus contains all information about them as a Selling Shareholder which is material in the context of the Offer for Sale.

IPO GRADING

This Issue has been graded by [●] as [●] indicating [●]. The IPO grade is assigned on a five point scale from 1 to 5 with IPO grade 5/5 indicating strong fundamentals and IPO grade 1/5 indicating poor fundamentals. For details, see the section "General Information" beginning on page 16 of this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the Stock Exchanges. The Company has received "in-principle" approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be the [●].

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
SBI CAPITAL MARKETS LIMITED 202, Maker Tower 'E' Cuffe Parade Mumbai 400 005 Tel: (91 22) 2217 8300 Fax: (91 22) 2218 8332 E-mail: iot.ipo@sbicaps.com Investor Grievance E-mail: investor.relations@sbicaps.com Website: www.sbicaps.com Contact Person: Raman Goyal SEBI Registration Number: INM000003531	**ENAM SECURITIES PRIVATE LIMITED** 801/802, Dalamal Towers Nariman Point Mumbai 400 021 Tel: (91 22) 6638 1800 Fax: (91 22) 2284 6824 E-mail: iotlipo@enam.com Investor Grievance E-mail: complaints@enam.com Website: www.enam.com Contact Person: Harish Lodha SEBI Registration Number: INM000006856	**LINK INTIME INDIA PRIVATE LIMITED** C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West) Mumbai 400 078 Tel: (91 22) 2596 0320 Fax: (91 22) 2596 0329 E-mail: iot.ipo@linkintime.co.in Investor Grievance E-mail: iot.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Sanjog Sud SEBI Registration No. : INR000004058

BID/ ISSUE PROGRAMME

BID/ISSUE OPENS ON: [●]##	BID/ISSUE CLOSES ON: [●]	
	FOR QIB BIDDERS	**FOR NON-INSTITUTIONAL AND RETAIL BIDDERS**
	[●]	[●]

The Company and the Selling Shareholders may consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one working day prior to the Bid/ Issue Opening Date.

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DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms in the Draft Red Herring Prospectus have the meaning given below.

Company Related Terms

Term	Description
Anwesha LLC	IOT Anwesha Engineering & Construction LLC
Articles of Association/ Articles	The articles of association of the Company, as amended
Auditors	The statutory auditors of the Company, Lodha & Co., Chartered Accountants
Board of Directors/ Board	The board of directors of the Company or a duly constituted committee thereof
"Company", "the Company" or "the Issuer"	Unless the context otherwise requires, refers to IOT Infrastructure & Energy Services Limited, a public limited company incorporated under the Companies Act, having its registered office at 103 Spectra, Hiranandani Business Park, Powai, Mumbai 400 076
CPCL	Chennai Petroleum Corporation Limited
Director(s)	The director(s) of the Company, unless otherwise specified
Doosan	Doosan Projects Private Limited
EIL	Engineers India Limited
Elnusa	PT. Elnusa Tbk
Essar	Essar Oil Limited
ESOP 2007	Employee Stock Option Plan 2007
Group Companies	Includes those companies, firms, ventures, etc., promoted by the Promoters, irrespective of whether such entities are covered under Section 370(1B) of the Companies Act or not. For details, see the section "Group Companies" beginning on page 152 of this Draft Red Herring Prospectus
HPCL	Hindustan Petroleum Corporation Limited
ICLE	IOT Center for Leadership and Excellence
IECSPL	IOT Engineering & Construction Services Pte. Ltd.
IIPL	IOT Infrastructures Private Limited
IML	IOT Mabagas Limited
Indian Oil	Indian Oil Corporation Limited
IOSL	IndianOil Skytanking Limited
IOTDE	IOT Design & Engineering Limited
IOT Anwesha	IOT Anwesha Engineering & Construction Limited
IOT Canada	IOT Canada Limited
IOT Utkal	IOT Utkal Energy Services Limited
IOTECS Oman	Indian Oiltanking Engineering and Construction Services LLC, Oman
IOTEP	IOT Engineering Projects Limited
ISPRL	Indian Strategic Petroleum Reserves Limited
IVRCL	IVRCL Infrastructures and Projects
IVRCL Assets	IVRCL Assets & Holdings Limited
Joint Ventures	The joint venture companies of the Company, being, Zuari Indian Oiltanking Limited, IndianOil Skytanking Limited and IOT Mabagas Limited
Katoen Natie	Katoen Natie Asia Pte. Ltd.
Mabagas	Mabagas International GmbH
Memorandum/ Memorandum of Association	The memorandum of association of the Company, as amended
Newsco Asia	Newsco Directional & Horizontal Drilling Services (Asia) Inc.
Newsco Canada	Newsco Directional & Horizontal Drilling Services Inc.
Newsco Cyprus	Newsco Directional Services (Overseas) Limited
Newsco Services	Newsco Directional Support Services Inc.

Term	Description
NPCIL	Nuclear Power Corporation of India Limited
OIL	Oil India Limited
Oiltanking	Oiltanking GmbH
Oiltanking India	Oiltanking India GmbH
ONGC	Oil and Natural Gas Corporation Limited
Promoters	The promoters of the Company being, Indian Oil, Oiltanking India and Oiltanking. For details, see the section "Promoters and Promoter Group" beginning on page 144 of this Draft Red Herring Prospectus
Promoter Group	Unless the context otherwise requires, refers to such persons and entities which constitute the Promoter Group of the Company in terms of Regulation 2 (zb) of the SEBI Regulations and a list of which is provided in the section "Promoters and Promoter Group" beginning on page 144 of this Draft Red Herring Prospectus
PT IOT	PT IOT Energy Services Indonesia Ltd
Registered Office	The registered office of the Company located at 103 Spectra, Hiranandani Business Park, Powai, Mumbai 400 076
Skytanking	Skytanking Holding GmbH
Stewarts and Lloyds	Stewarts and Lloyds of India Limited
Subsidiaries	The subsidiaries of the Company as disclosed in the section "Subsidiaries and Joint Ventures" beginning on page 130 of this Draft Red Herring Prospectus
"we", "us", or "our"	Unless the context otherwise requires, means the Company, the Subsidiaries and the Joint Ventures on a consolidated basis
ZIL	Zuari Industries Limited
ZIOL	Zuari Indian Oiltanking Limited

Issue Related Terms

Term	Description
Allotment/ Allot/ Allotted	Unless the context otherwise requires, means the allotment of Equity Shares pursuant to the Fresh Issue and the transfer of the Equity Shares pursuant to the Offer for Sale to successful Bidders
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 Allocation Notice	Notice or intimation of allocation of Equity Shares sent to Anchor Investors who have been allocated Equity Shares after the Anchor Investor Bid/Issue Period
Anchor Investor Bid/ Issue Period	The day, one working day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Issue Price	The final price at which Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by the Company in consultation with the BRLMs
Anchor Investor Portion	Up to 30% of the QIB Portion which may be allocated by the Company in consultation with the BRLMs 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 all Bidders other than the Anchor Investors to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account maintained with such SCSB
ASBA Account	Account maintained by the ASBA Bidder with the SCSB and specified in the ASBA Bid cum Application Form for blocking an amount mentioned in the ASBA Bid cum Application Form
ASBA Bid cum Application	The form, whether physical or electronic, used by an ASBA Bidder to make a Bid

Term	Description
Form/ ASBA BCAF	through ASBA process, which contains an authorisation to block the Bid Amount in an ASBA Account and will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
ASBA Bidders	Prospective investors other than Anchor Investors in this Issue who intend to Bid/apply through ASBA
ASBA Revision Form	The form used by the ASBA Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their ASBA Bid cum Application Forms or any previous ASBA Revision Form(s)
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as banker(s) to the Issue with whom the Escrow Account(s) will be opened and in this case being [●]
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Issue and which is described in the section "Issue Procedure" beginning on page 349 of this Draft Red Herring Prospectus
Bid	An indication to make an offer during the Bid/Issue Period by a Bidder pursuant to submission of Bid cum Application Form or ASBA Bid cum Application Form, as the case may be, or during the Anchor Investor Bid/ Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto
Bid Amount	The value of the Bid/ highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid
Bid/ Issue Closing Date	Except in relation to any Bids received from Anchor Investors, the date after which the Syndicate and the SCSBs will not accept any Bids for the Issue, which shall be notified in [●] edition of English national daily [●], [●] edition of Hindi national daily [●] and [●] edition of [●] regional language newspaper. The Company may consider closing the book for QIBs one day prior to the Bid/Issue Closing Date in accordance with the SEBI Regulations
Bid/ Issue Opening Date	Except in relation to any Bids received from Anchor Investors, the date on which the Syndicate and the SCSBs shall start accepting Bids for the Issue, which shall be the date notified in [●] edition of English national daily [●], [●] edition of Hindi national daily [●] and [●] edition of [●] regional language newspaper
Bid cum Application Form	The form in terms of which the Bidder shall make an offer to subscribe for or purchase the Equity Shares and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus, including, unless expressly provided, the ASBA Bid cum Application Form, if applicable
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring 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 (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Company may consider closing the book for QIBs one day prior to the Bid/Issue Closing Date in accordance with the SEBI Regulations
Book Building Process/ Method	The book building process as provided under Part A, Schedule XI of the SEBI Regulations, in terms of which the Issue is being made
BRLMs/ Book Running Lead Managers	The Book Running Lead Managers to the Issue, in this case being SBI Caps and Enam
Business Day	Any day on which commercial banks in Mumbai are open for business
CAN/ Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted after approval of Basis of Allotment by the Designated Stock Exchange
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
Controlling Branches	Such branches of the SCSBs which coordinate with the BRLMs, the Registrar to the Issue and the Stock Exchanges with respect to Bids by ASBA Bidders and a list

Term	Description
	of which is available at http://www.sebi.gov.in/pmd/scsb.pdf
Cut-off Price	Issue Price (net of Retail Discount, as applicable), finalised by the Company and the Selling Shareholders in consultation with the BRLMs, which can be any price within the Price Band. Only Retail Individual Bidders, whose Bid Amount does not exceed Rs. 100,000 are entitled to Bid at the Cut-off Price. 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 Forms used by the ASBA Bidders and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Designated Date	The date on which funds are transferred by the Escrow Collection Banks from the Escrow Account or the amounts blocked by the SCSBs is transferred from the ASBA Account, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders in the Fresh Issue and the Selling Shareholders shall give delivery instructions for transfer of Equity Shares constituting the Offer for Sale
Designated Stock Exchange	[●]
Draft Red Herring Prospectus/ DRHP	This draft red herring prospectus issued in accordance with Section 60B of the Companies Act and the SEBI Regulations, filed with SEBI and which does not contain complete particulars of the price at which the Equity Shares are offered and the size (in terms of value) of the Issue
Eligible NRI(s)	NRI(s) from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe or purchase the Equity Shares offered thereby
Engagement Letter	Engagement letter dated July 29, 2010 between the Company and the BRLMs
Enam	Enam Securities Private Limited
Equity Shares	Equity shares of the Company of Rs. 10 each fully paid-up unless otherwise specified in the context thereof
Escrow Account	An account opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	An agreement to be entered into by the Company, the Selling Shareholders, the Registrar to the Issue, the BRLMs, the Syndicate Members and the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, remitting 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 or ASBA Revision Form, as the case may be
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
Fresh Issue	The fresh issue of 58,197,300 Equity Shares aggregating to Rs. [●] Million by the Company
IPO Grading Agency	[●]
Issue	Collectively the Fresh Issue and the Offer for Sale
Issue Agreement	The agreement entered into on September 7, 2010 between amongst the Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	The final price at which the Equity Shares will be issued and Allotted in terms of the Red Herring Prospectus. For Retail Individial Bidders, it shall be the final price (net of Retail Discount) at which the Equity Shares will be issued and Allotted. The Issue Price will be decided by the Company and the Selling Shareholders in consultation with the BRLMs on the Pricing Date

Term	Description
Monitoring Agency	[●]
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Mutual Funds Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or 1,273,066 Equity Shares available for allocation to Mutual Funds only, out of the QIB Portion (excluding the Anchor Investor Portion)
Net Proceeds	The Fresh Issue proceeds less the Issue expenses. For further information about use of the Issue proceeds and the Issue expenses, see the section "Objects of the Issue" beginning on page 39 of this Draft 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 of 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 10,911,993 Equity Shares available for allocation to Non-Institutional Bidders on a proportionate basis
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs registered with SEBI and FVCIs registered with SEBI
Offer for Sale	The offer for sale by the Selling Shareholders of 14,549,322 Equity Shares at the Issue Price
Price Band	Price band with a minimum price of Rs. [●] (Floor Price) and the maximum price of Rs. [●] (Cap Price) and include revisions thereof. The Price Band and the minimum Bid lot size for the Issue will be decided by the Company and the Selling Shareholders in consultation with the BRLMs and advertised, at least two working days prior to the Bid/ Issue Opening Date, in [●] edition of English national daily [●], [●] edition of Hindi national daily [●] and [●] edition of [●] regional language newspaper
Pricing Date	The date on which the Company and the Selling Shareholders, in consultation with the BRLMs, finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act after the Pricing Date, 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	An account opened with the Bankers to the Issue to receive monies from the Escrow Account and from the SCSBs on the Designated Date
Qualified Institutional Buyers or QIBs	As defined under Regulation 2(1)(zd) the SEBI Regulations, and includes public financial institutions as specified in Section 4A of the Companies Act, 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 foreign individual), multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with IRDA, provident funds with minimum corpus of Rs. 250 Million, pension funds with minimum corpus of Rs. 250 Million, the National Investment Fund set up by the Government of India and insurance funds set up and managed by army, navy or air force of the Union of India
QIB Portion	The portion of the Issue being not more than 36,373,311 Equity Shares to be Allotted to QIBs on a proportionate basis including Anchor Investor Portion
Red Herring Prospectus/ RHP	The red herring prospectus to be issued in accordance with Section 60B of the Companies Act, which will not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Issue Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account opened with Escrow Collection Bank(s), from which refunds (excluding refunds to ASBA Bidders), if any, of the whole or part of the Bid Amount shall be made to the Bidders

Term	Description
Refund Bank(s)	[●]
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT or RTGS, as applicable
Registrar to the Issue/ Registrar	Link Intime India Private Limited
Retail Discount	Discount of Rs. [●] to the Issue Price determined pursuant to the Book Building Process which may be offered to Retail Individual Bidders whose Bid Amount does not exceed Rs. 100,000
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 of more than Rs. 100,000 in any of the bidding options in the Issue
Retail Portion	The portion of the Issue being not less than 25,461,318 Equity Shares available for allocation to Retail Individual Bidder(s) on a proportionate basis
Revised Anchor Investor Allocation Notice	Notice or intimation of Equity Shares sent to Anchor Investors who have been allocated Equity Shares after discovery of the Issue Price if the Issue Price is higher than the Anchor Investor Issue Price
Revision Form	The form used by the Bidders (which, unless expressly provided, includes the ASBA Revision Form) to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable
SBI Caps	SBI Capital Markets Limited
Self Certified Syndicate Bank(s) or SCSB(s)	A banker to the Issue registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994, as amended, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in
Selling Shareholders	Indian Oil and Oiltanking India
Syndicate	The BRLMs and the Syndicate Members
Syndicate Agreement	The agreement to be entered into between the Company, the Selling Shareholders and the Syndicate in relation to the collection of Bids in this Issue (excluding Bids from the ASBA Bidders)
Syndicate Members	[●]
TRS or Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an 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 amongst the Company, the Selling Shareholders and the Underwriters to be entered into on or after the Pricing Date
Working Day	Working days will be all days excluding Sundays and bank holidays

Conventional/General Terms

Term	Description
AED	United Arab Emirates Dirham
AGM	Annual General Meeting
ARS	Argentine Peso
AS/ Accounting Standards	Accounting Standards as issued by the ICAI
AY	Assessment Year
BGN	Bulgarian Lev
BSE	The Bombay Stock Exchange Limited
CAD	Canadian Dollar
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission

Term	Description
CIN	Corporate Identity Number
Companies Act	Companies Act, 1956, as amended
Consolidated FDI Policy	Consolidated FDI policy dated March 31, 2010 issued by the Government of India, Ministry of Commerce and Industry effective from April 1, 2010
CRISIL	CRISIL Limited
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996, as amended
DIN	Director Identification Number
DGH	Directorate General of Hydrocarbons
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant's Identification
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting
EIA	Energy Information Administration
EPS	Unless otherwise specified, Earnings Per Share, which is the net profit or loss for a fiscal year divided by the weighted average of outstanding number of equity shares at the end of the fiscal year
FCNR	Foreign Currency Non-Resident
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/ FY	Unless stated otherwise, period of 12 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, as amended
GDP	Gross Domestic Product
GIR	General Index Register
GoI/ Government/ Central Government	Government of India
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Insurance Regulatory and Development	The authority constituted under the Insurance Regulatory and Development Authority Act, 1999, as amended
I.T. Act/ Income Tax Act	Income Tax Act, 1961, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
IMF	International Monetary Fund
IPO	Initial Public Offering
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
JNPT	Jawaharlal Nehru Port Trust
LIBOR	London Interbank Offered Rate
Listing Agreement	Listing agreement to be entered into by the Company with the Stock Exchanges
LKR	Sri Lankan Rupee
LM	Maltese Lira

Term	Description
LOI	Letter of intent
MICR	Magnetic Ink Character Recognition
Mn/ mn	Million
MNRE	Ministry of New and Renewable Energy
MoEF	Ministry of Environment and Forests
MOP	Ministry of Power
MOPNG	Ministry of Petroleum and Natural Gas
MoU	Memorandum of Understanding
MUR	Mauritian Rupee
MW	mega watts
NA/ n.a.	Not Applicable
NAV	Net Asset Value
National Investment Fund	National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NELP	New Exploration Licensing Policy
NOC	No objection certificate
NR	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB/ Overseas Corporate Body	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
OHSAS	Occupational Health and Safety Advisory Services
OIDB	Oil Industry Development Board
OISD	Oil Industry Safety Directorate
OPEC	Organization of the Petroleum Exporting Countries
OSHA	Occupational Safety and Health Administration
p.a.	per annum
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Persons of Indian Origin
PLR	Prime Lending Rate
PNGRB	Petroleum and Natural Gas Regulatory Board
PPAC	Petroleum Planning and Analysis Cell
R-APDRP	Revised Accelerated Power Development and Reforms Programme
RBI	Reserve Bank of India

Term	Description
Re.	One Indian Rupee
RGGVY	Rajiv Gandhi Grameen Vidyutikaran Yojna
RO	Omani Riyal
RoC	Registrar of Companies, Maharashtra situated at Everest, 5th Floor, 100, Marine Drive, Mumbai 400 002
RoNW	Return on Net Worth
Rs./ Rupees	Indian Rupees
RTGS	Real Time Gross Settlement
S$/ SGD	Singapore Dollars
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act 1992, as amended
SEBI ESOP Guidelines	Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
Securities Act	U.S. Securities Act, 1933, as amended
SEK	Swedish Kronor
SERC	State Electricity Regulatory Commission
SIA	Secretariat for Industrial Assistance
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended
Singapore $	Singapore Dollars
SPV	Special Purpose Vehicle
Sq. Ft./ sq. ft.	Square feet
Sq. Mtrs./ sq. mtrs.	Square metres
State Government	Government of a State of India
Stock Exchanges	The BSE and the NSE
Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended
U.S./ United States	United States of America, its territories and possessions
UIN	Unique Identification Number
US$/ USD	United States Dollars
Securities Act	U.S. Securities Act, 1933, as amended
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996, as amended

Technical/Industry Related Terms

Term	Description
APIIC	Andhra Pradesh Industrial Infrastructure Corporation Limited
ATF	Aviation turbine fuel
bpd	Barrel per day
bbl/d	Barrels per day
BO	Build operate
BOOT	Build own operate transfer
BOT	Build operate transfer
BS&W	Bottom sediment and water
CBM	Coal bed methane

CDQ	Coke dry quenching
CGD	City gas distribution
DCU	Delayed coker unit
E&P	Exploration and production
EPC	Engineering, procurement and construction
EPC Business	Engineering, procurement and construction business of the Company
EPC Order Book	engineering, procurement and construction order book of the Company
FEED	Front end engineering and design
FO	Fuel oil
GDP	Gross domestic product
GGR	Geophysics & reservoir
GW	giga watts
HSD	High speed diesel
HSSE	Health safety security environment
HSSE systems	Health safety security environment systems
IEA 2010	International Energy Outlook, July 2010
ISO	International Organization for Standardization
KCS	Kazakhstan Caspi Shelf
KG Basin	Krishna-Godavari basin
KL	kilo litres
LNG	Liquified natural gas
LWD	Logging while drilling
mcm	Million cubic meters
MLD	Million litres a day
MMTPA	Million metric tons per annum
MS	Motor spirit
mtpa	Millions tons per annum
MWD	Measurement while drilling
O&M	Operating & maintenance
O&M Agreement	Operations and maintenance agreement
OGJ	Oil & Gas Journal
PSC	Public sector companies
PSU	Public sector undertaking
R&D	Research and development
Renewable Energy Business	Renewable energy business of the Company
ROU	Right of usage
SKO	Superior kerosene oil
T&D	Transmission and distribution
Terminalling Business	Terminalling business of the Company
UMPPs	Ultra mega power projects
Upstream Services Business	Upstream services business of the Company

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

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

In this Draft Red Herring Prospectus, the Company has presented numerical information in "Million" units. One Million represents 1,000,000.

Financial Data

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from the Company's restated consolidated financial statements as of and for the fiscal years ended March 31, 2006, 2007, 2008, 2009 and 2010, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations and included in this Draft Red Herring Prospectus. Our fiscal year commences on April 1 and ends on March 31 of the next year, so all references to particular Fiscal, unless stated otherwise, are to the 12 months period ended on March 31 of that year. In this Draft Red Herring Prospectus, any discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

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

Any percentage amounts, as set forth in the sections "Risk Factors", "Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages xv, 73 and 270, respectively, and elsewhere in this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of the Company's restated consolidated and unconsolidated summary financial statements prepared in accordance with the Indian GAAP.

Note on Presentation of Segment Information

As of March 31, 2010, we include two primary segments in our consolidated financial statements: terminalling and construction and engineering. Except where the context otherwise requires, we refer to our terminalling segment in this DRHP as our Terminalling Business. Our construction and engineering segment is comprised of all of our other businesses, which primarily includes our EPC Business and our Upstream Services Business.

Currency, Units of Presentation and Exchange Rates

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, "Euro" or "€"are to the official currency of the European Union, "LKR" are to Sri Lankan Rupee, the official currency of Sri Lanka, "JPY" are to Japanese Yen, the official currency of Japan, "MUR" are to Mauritian Rupee, the official currency of Mauritius, "RO" are to Omani Riyal, the official currency of Oman, "CAD" are to Canadian Dollar, the official currency of Canada, "Singapore $/ SGD" are to Singapore Dollars, the official currency of Singapore, "ARS" are to Argentine Peso, the official currency of Argentina, "BGN" are to Bulgarian Lev, the official currency of Bulgaria, "LM" are to Maltese Lira, the official currency of Malta, "DKK" are to Danish Krone, the official currency of Denmark, "AED" are to United Arab Emirates Dirham, the official currency of United Arab Emirates, "Nigerian Rs." are to the official currency of Nigeria, "SEK" are to Swedish Kronor, the official currency of Sweden, "PEN" are to the official currency of Peru, "PLN" are to the official currency of Poland, "BOB" are to the official currency of Bolivia, "EEK" are to the official currency of Estonia, "BRL" are to the official currency of Brazil, "MXN" are to the official currency of Mexico, "HUF" are to the official currency of Hungary, "IRR" are to the official currency of Iran, "RMB" are to the official currency of China, "KRW" are to the official currency of Korea, "COP" are to the official currency of Colombia and "ZAR" are to the official currency of South Africa.

The exchange rates of the respective foreign currencies are as stated below:

	April 1, 2010 to August 31, 2010	Fiscal 2010 (Rs.)	Fiscal 2009 (Rs.)	Fiscal 2008 (Rs.)	Fiscal 2007 (Rs.)	Fiscal 2006 (Rs.)
USD 1						
Period End	47.08	45.14	50.95	39.97	43.59	44.61
Period Average	46.10	47.42	45.91	40.24	45.29	44.28
Euro 1						
Period End	59.50	60.56	67.48	63.09	58.14	54.20
Period Average	58.81	67.08	65.14	56.99	58.11	53.88

Source: www.rbi.org.in

Unless otherwise stated, the Company has, in this Draft Red Herring Prospectus, used the conversion rates as on March 31, 2010, as mentioned above, for the respective currencies.

These exchange rates are provided solely for the convenience of the reader and in accordance with the provisions of the SEBI Regulations. This Draft Red Herring Prospectus contains translations of the above mentioned currencies into Rs. at specified rates. This should not be construed as a representation that the above mentioned currencies could have been, or could be, converted into Rs. at any particular rate or at all.

Definitions

For definitions, see the section "Definitions and Abbreviations" beginning on page i of this Draft Red Herring Prospectus. In the section "Main Provisions of the Articles of Association" beginning on page 381 of this Draft Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles.

Industry and Market Data

Unless stated otherwise, the industry and market data used throughout this Draft Red Herring Prospectus has been obtained from industry publications and sources. 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. Accordingly, no investment decision should be made on the basis of such information. Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified.

Further, the extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our EPC Order Book, our projects and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "may", "will", "will continue", "will pursue" "contemplate", "future", "goal", "propose", "will likely result", "will seek to" or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further, the 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, the regulatory changes pertaining to the industries in India and overseas in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas, which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, 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, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- the activity and expenditure levels in the oil and gas sector;
- requirement of a considerable amount of working capital as well as investment in plant and equipments;
- dependence upon third parties to complete many of the contracts;
- exposure to defect liability, warranty claims and liability claims;
- reliance on our Promoters and Promoter Group companies for certain key development and support activities;
- dependence on the key personnel as well as the availability of qualified technical personnel;
- exposure to volatile and hazardous materials, such as crude oil and petroleum products;
- undertaking projects in areas that may pose security risks;
- dependence on the limited number of oil and gas companies in India;
- inability of the Company to manage its growth;
- general economic and political conditions; and
- delay in completion of projects due to force majeure and other reasons.

For further discussions of factors that could cause our actual results to differ, see the section "Risk Factors", "Business" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on pages xv, 73 and 270, respectively of this Draft Red Herring Prospectus.

By their nature, certain 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. Forward-looking statements speak only as of this Draft Red Herring Prospectus. The Company, its Directors, the Selling Shareholders, the BRLMs, the Syndicate and their respective affiliates or associates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI requirements, the Company, the Selling Shareholders and the BRLMs will ensure that investors in India are informed of material developments until such time as the grant of listing and trading approvals by the Stock Exchanges in relation to the Equity Shares Alloted pursuant to this Issue.

RISK FACTORS

An investment in the Equity Shares involves a degree of financial risk. You should carefully consider all of the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. To obtain a complete understanding, you should read this section in conjunction with the sections "Business" beginning on page 73 of this Draft Red Herring Prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 270 of this Draft Red Herring Prospectus as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Red Herring Prospectus, could have a material adverse effect on our business, prospects, financial condition and results of operations, and could cause the trading price of the Equity Shares to decline and you may lose all or part of your investment. In addition, the risks set out in this Draft Red Herring Prospectus may not be exhaustive and additional risks and uncertainties not presently known, or which we currently deem immaterial, may arise or become material in the future.

Unless otherwise stated in the relevant risk factors stated below, we are not in a position to specify or quantify the financial or other implications of any of the risks set forth herein.

INTERNAL RISK FACTORS

Risks Associated with Our Businesses

1. ***Demand for our services substantially depends on the activity and expenditure levels in the oil and gas sector***

   Demand for our EPC Services, Terminalling Services and Upstream Services are particularly sensitive to the level of exploration, production and development of, and the corresponding capital spending by, oil and gas companies. Our revenue derived from the oil and gas sector accounted for 88.7%, 94.1% and 92.9 % of our revenue in the years ended March 31, 2008, 2009 and 2010, respectively. We expect that the oil and gas sector will continue to account for a majority of our revenues and profits in the future. Capital expenditure in the oil and gas sector is influenced by, among other factors, the rate of discovery and development of new oil and gas reserves; global demand for oil and gas and derivative products; oil and gas prices; increasing focus on alternative sources of energy, particularly renewable and sustainable forms of energy; local and international political and economic conditions; exploration, extraction, production, refining and transportation costs; governmental regulations and policies relating to the exploration for and production and development of their oil and natural gas reserves; global weather conditions; and trends in environmental legislation.

   In India, oil and gas prices have historically been highly regulated. However, the Government's continued efforts toward market-determined pricing for petroleum products could result in oil and gas prices in India becoming subject to significant fluctuations in response to relatively minor changes in the supply of and demand for oil and gas, market uncertainty and a variety of other factors that are beyond our control. Any prolonged reduction in oil and gas prices could depress the level of capital expenditure by oil and gas companies, which could, result in a corresponding decline in the demand for our EPC services, Terminalling services and Upstream services. Any prolonged increase in oil and gas prices could also result in decreased or slowing of consumer demand for products derived from oil and gas, including petrol, diesel, chemicals, synthetic fabrics and plastics, consequently resulting in reduced financial incentive for oil and gas companies to make capital expenditures, which also could result in a corresponding decline in the demand for our EPC services, Terminalling services and Upstream services. Sustained volatility of oil and gas prices can also cause capital expenditures to be postponed or cancelled. Historically, the global markets for oil and gas have been volatile and are likely to continue to be volatile in the future and, consequently, demand for our EPC services, Terminalling services and Upstream services may experience volatility.

2. ***We typically enter into contracts on a fixed fee basis for our EPC Business, which exposes us to various forms of risks with respect to the cost of contract execution***

The contracts entered into by us for our EPC Business are typically provided on a fixed fee basis, which means we generally bear the risk that the cost of executing the project will exceed our estimates. A number of factors may cause our cost of project execution to exceed our estimates, including:

- limited availability of information made available to us at the time we tender for the contract;
- limited amount of time we may be given to prepare our bid;
- increase in the cost of raw material, such as steel;
- increase in the cost of equipment, such as pumps and boilers;
- increase in the cost of components, such as mandatory spares;
- increase in sub-contractor costs, labour costs and/or freight costs;
- adverse exchange rate fluctuations between the currency in which we incur our costs and the currency in which our payments are denominated;
- increases in the cost of our working capital necessary for completion of the project;
- adverse changes to the relevant legal, regulatory or tax regimes;
- inflation;
- our inexperience with a particular type of project, particularly as we seek to expand outside of oil and gas-related EPC projects;
- customer delays, such as delayed engineering inputs and approvals, that require us to commit additional resources to contract execution in accordance with the project timeline; and
- changes to the project plan or timetable that may increase our costs but for which we do not receive additional payment.

As we continue to undertake EPC projects of increasing size, we may become increasingly exposed to the risk of adverse deviations from our cost estimates, particularly to the extent that the project execution period occurs over a more extended period of time.

3. ***We typically enter into contracts for our EPC Business that require us to complete project execution within a specified timeframe, which exposes us to various forms of risks with respect to delays in contract execution***

The contracts entered into by us for our EPC Business typically require us to complete the project within a specified timeframe, which means we generally bear the risk of delay. A number of factors may cause a delay in project execution, including:

- delays in receipt of work schedules and engineering inputs, approvals and decisions required from the customer;
- changes to project plans and process requirements;
- delays due to interface issues with the other EPC contractors employed by the customer;
- delays in delivery of raw materials, components or equipment;
- delays in performance by the sub-contractors;
- delays due to environmental considerations;
- delays in receiving the necessary regulatory clearances, approvals and certifications or delay in renewal of the same;
- delays due to resettlement obligations;
- unavailability of working capital necessary to finance execution of the project;
- accidents;
- delays in transportation of equipment and construction material;
- unavailability of skilled and unskilled labour;
- local strikes, bandhs and curfews by political parties;
- adverse weather conditions;
- adverse changes to the relevant legal, regulatory or tax regimes; and

- our inexperience with a particular type of project, particularly as we seek to expand outside of oil and gas-related EPC projects.

In the event that we fail to complete an EPC project within the specified timeframe, our customers are typically entitled to receive liquidated damages for the delay to the extent the delay is attributable to us, and our customers may invoke the bank guarantees that we have provided in connection with the performance of the project or retain our security deposits as compensation for such damages. Certain of our recently completed EPC projects were completed subsequent to the timeframe required by the relevant EPC contract and we may be subject to claims against us for liquidated damages. Additionally, certain of our ongoing EPC projects have experienced execution delays, including the Paradip Refinery Storage Terminal, and may not or will not be completed within the timeframe required by the relevant EPC contract. For information relating to certain of our projects that may be subject to liquidated damages claims due to delay, see "EPC Business" in the section "Business" beginning on page 73 of this Draft Red Herring Prospectus. In addition, a number of EPC projects that we have undertaken have resulted in arbitration in relation to liquidated damages due to delays in project execution. For information relating to disputes resulting from delays in our execution of EPC projects, see the section "Outstanding Litigation and Material Developments" beginning on page 310 of this Draft Red Herring Prospectus.

As we continue to undertake EPC projects of increasing size, we may become increasingly exposed to the risk of delay in the performance of EPC contracts and, therefore, liquidated damages claims.

4. ***We may not realise the expected revenues, cash flow and profit from our EPC Order Book***

Our EPC Order Book is comprised of the estimated contract value of the unexecuted portion of our existing EPC contracts, including internal development projects that do not directly generate external revenues, as of a particular date. Our EPC Order Book was Rs. 28,588.35 million as of June 30, 2010.

A number of contingencies could affect the realisation of our EPC Order Book as future external revenues, including cancellations, scope of work adjustments, loss of revenue resulting from our failure to meet the completion schedule, force majeure, legal impediments and our ability to perform under the contract. There can be no assurances that any revenues anticipated in our EPC Order Book will be realised or, if realised, will be realised at the time they are currently expected and projects may remain in our EPC Order Book for an extended period of time.

We may also not receive cash flows from our execution of EPC contracts that correspond to the timing of the revenues we have recognised. We recognise revenues in respect of our EPC contracts by reference to the overall estimated profitability of the contract under the percentage of completion method. However, we are typically entitled to receive milestone payments pursuant to the terms of the EPC contracts. Although we typically aim to achieve milestone payments that will yield equal payments at regular intervals over the life of the project based on our estimation of completion times of various aspects of the project, receipt of milestone payments may not necessarily correspond to the revenues we recognise or the costs we incur. Consequently, we may be required to fund our working capital requirements for completion of projects through borrowings. In the years ended March 31, 2007, 2008, 2009 and 2010, our outstanding borrowings for working capital purposes were Rs. 154.02 million, Rs. 631.23 million, Rs. 1,882.66 million and Rs. 2,336.72 million, respectively. As we continue to undertake EPC projects of increasing size, our working capital requirements will increase and we may become more susceptible to fluctuations in working capital requirements and cash flows and, in particular, may be more susceptible to liquidity issues due to delays in large EPC projects that cause us not to reach milestone payments in a manner that corresponds with our costs of implementing such large EPC projects.

Additionally, our EPC Order Book includes the Paradip Refinery Storage Terminal, which is an internal order received from our subsidiary, IOT Utkal as part of the BOOT contract that IOT Utkal received from Indian Oil. For further details on the Paradip Refinery Storage Terminal, see "EPC Business – EPC Order Book" in the section "Business" beginning on page 73 of this Draft Red Herring Prospectus. EPC Revenues with respect to BOOT projects are recognised on the basis of the value of the construction work-in-progress. However, for BOOT projects, including the Paradip Refinery Storage Terminal, which accounted for Rs. 16,026.43 million, or 56.0% of our EPC Order Book as of June 30, 2010, we do not receive external revenues in the form of direct payments for the construction of the facility. Instead, a portion of the fees we receive for the operation and maintenance of the facility represent a return of the capital (including interest) calculated on the basis of the fixed project cost agreed in the BOOT contract, plus an internal rate of return, and such fees are typically payable over the duration of the term of our ownership of the facility. Consequently, we may not receive cash flow from BOOT projects in our EPC Order Book, including the Paradip Refinery Storage Terminal, for an extended period of time. We intend to continue to offer our customers a variety of ownership and operational business models, particularly with respect to terminalling projects, and to the extent we enter into BOOT arrangements it could have an adverse impact on our cash flow and would require us to increase our borrowings.

Additionally, we may recognise revenues from our EPC Order Book that do not result in profits. We typically enter into EPC contracts on a fixed price basis. Under our fixed price contracts, the total consideration is typically set by the amount we bid for the project. As a consequence, we are susceptible to the risk of material cost variation from the assumptions underlying a bid for several reasons, including unanticipated changes in engineering design of the project; unanticipated variations in the cost of equipment, fuel, material or manpower; timing of delivery of equipment and materials to the project site; ability of the client to obtain requisite environmental and other approvals; and the performance of suppliers and sub-contractors. In particular, our fixed price contracts typically do not provide index based variable-price contracts for any commodity costs associated with the project, such as steel, nor do they provide for additional costs we may incur due to inflation. To the extent the costs of our EPC projects exceed our estimates, we may experience reduced or negative cash flow or reduced profitability or losses with respect to such projects. For instance, the offsite and storage facilities for the Naphtha Cracker at Panipat for Indian Oil has experienced significant negative cash flow for an extended period of time and had encountered significant change orders requiring increased structured steel work and other additional jobs which we are pursuing with Indian Oil and EIL. We have also not yet received an overdue payment of approximately Rs. 1,377.50 million from Indian Oil towards achieving mechanical completion and performance guarantee test run activities.

5. ***We may accept certain financially unviable projects to maintain our relationships with our Promoters or independent third parties***

We have undertaken, and may in the future undertake, EPC projects that may not be financially viable in order to maintain our relationships with our Promoters or independent third parties and such projects may not be carried out on an arms length basis. For example, in the year ended March 31, 2005, we undertook an EPC project for Indian Oil which we accepted as a gesture of goodwill to protect Indian Oil's interest despite prior knowledge that the project had non-viable financial terms, a complex and cumbersome project content and schedule and material supply constraints. There can be no assurances that we will not accept EPC projects for similar reasons or under similar terms in the future, whether from our Promoters or independent third parties.

6. ***Our business operations require a considerable amount of working capital as well as investment in plant and equipment and we may be unable to adequately finance such capital needs through cash generated from our operations, advances from customers and bank borrowings***

We require a considerable amount of working capital to execute our projects for our EPC Business and other business. In particular, we may not receive cash flows from execution of our EPC contracts that correspond to cost we incur in executing the projects. Consequently, we have been and will continue to be required to fund our working capital requirements for completion of EPC projects through borrowings. For the years ended March 31, 2007, 2008, 2009 and 2010, our outstanding borrowings for working capital purposes were Rs. 154.02 million, Rs. 631.23 million, Rs. 1,882.66 million and Rs. 2,336.72 million, respectively. As we continue to undertake EPC projects of increasing size, our working capital requirements will increase and we may become more susceptible to fluctuations in working capital requirements and cash flows and, in particular, may be more susceptible to liquidity issues due to delays in executing large EPC projects that causes us not to reach milestone payments in a manner that corresponds with our costs of implementing such large EPC projects. We also require considerable capital to acquire new equipment and implement new technologies and to build, maintain and operate our projects in our Terminalling Business and our Upstream Services Business and expect that any new business segment we enter will have substantial working capital requirements. Our success therefore depends on our ability to continue to secure and successfully manage sufficient amounts of working capital.

In the past, we have financed our working capital primarily through cash generated from our operations and borrowings. As our business expands we may increasingly be required to obtain funding through banks, financial institutions or by way of other borrowings, which may not be available on terms acceptable to us, if at all. Additionally, there can be no assurances that we will be able to service our existing or future indebtedness through cash flows or new borrowings.

7. ***Income and results of our EPC Business are increasingly dependent on high-value contracts and we may be unable to pre-qualify for high-value EPC contracts in future***

For our EPC Business, we typically pursue projects that are awarded pursuant to a competitive bidding process limited to contractors who have been pre-qualified based on several criteria including experience, technological capacity and proven track record, reputation for quality, safety record, financial strength and size of previous contracts in similar projects.

The income and results of our EPC Business have increasingly been generated from larger-scale projects. For the years ended March 31, 2008, 2009 and 2010 the single largest project value of our EPC Order Book inflow was Rs. 5,985.45 million, Rs. 8,309.20 million and Rs. 19,250.00 million, respectively, and we intend to continue to pursue higher value projects. However, our involvement in large-scale projects has required us to make substantial investment in equipment and assume increased fixed costs, which will require us to continue to obtain awards of high-value projects in the future continue to generate income and profit. Our ability to obtain such contracts is unpredictable and outside our control. Our EPC Business operates in highly competitive markets and faces competition from both domestic and international engineering and construction companies. For larger-scale, higher value or more complex projects, we face competition from both domestic companies and, increasingly, international companies, particularly from East and South East Asia. Although we have increasingly undertaken EPC projects of higher value, there can be no assurances that we will be able to continue to pre-qualify for increasingly high-value projects, particularly outside the oil and gas sector. In addition, our two highest value completed EPC projects, as well as the four highest value EPC projects in our EPC Order Book, were awarded to us by affiliates of our Promoters and there can be no assurances that we would pre-qualify for similarly valued projects undertaken by independent third parties. For project-types that we are not typically able to pre-qualify independently, such as high-value projects or those requiring specialised project skills outside our competencies, we will be dependent on bidding as part of a joint venture or consortium. When we bid on a project in a joint venture or as a consortium, we are required to nominate the project leader from among the joint venture or the consortium parties to be responsible for decision making and execution of the relevant project. This structure may restrict our ability to implement the project and make independent decisions in relation to the project.

Furthermore, our recent experience indicates that customers in the oil and gas industry, particularly in India are increasingly developing larger, more technically complex EPC projects and increasingly awarding the entire contract to a single EPC contractor. Consequently, the number of projects for which we may pre-qualify may be reduced by the market shift toward higher value projects.

In particular, some of our competitors may have greater financial and other resources, as well as a more significant track record in completing such projects. We expect increased competition in the future in India from foreign engineering and construction companies in partnership with other Indian firms. In addition, during an economic downturn, many of our competitors may be more inclined to take greater or unusual risks or even accept terms and conditions in a contract that might not be acceptable to us. As a result, we are subject to the risk of losing such new contract awards to competitors. Because our revenue is expected increasingly to be generated from large projects, our results of operations may increasingly fluctuate from quarter to quarter and year to year depending on whether we are successful at obtaining high-value contract awards.

8. ***We are dependent upon third parties to complete many of our contracts***

A portion of the work performed under our contracts, particularly EPC contracts, is performed by third-party sub-contractors we hire. We also rely on third-party equipment manufacturers or suppliers to provide the equipment and materials used for EPC projects. In most of the contracts, we are responsible for any failure by a third-party sub-contractor to comply with applicable laws, rules and regulations and for then performance under the contract. If we are unable to hire qualified sub-contractors or find competent equipment manufacturers or suppliers, our ability to successfully complete EPC projects could be impaired. For instance, construction activities for the Paradip Refinery Storage Terminal have been delayed due to a number of factors including later finalisation of process issues, engineering drawing and documents as well as mobilisation of resources by our sub-contractors. There can be no assurances that we will be able to complete the Paradip Refinery Storage Terminal on schedule and any resultant delay may make us liable for the payment of liquidated damages. If the amount we are required to pay for sub-contractors or equipment and supplies exceeds what we have estimated, especially in a fixed-price or lump-sum type contract, we may suffer losses on these contracts. If a supplier, manufacturer or sub-contractor fails to provide supplies, equipment or services as required under a negotiated contract for any reason, we may be required to source these supplies, equipment or services on a delayed basis or at a higher price than anticipated, which could impact contract profitability. These risks may intensify during an economic downturn if our suppliers, manufacturers or sub-contractors experience financial difficulties or find it difficult to obtain sufficient financing to fund their operations and are not able to provide the services or supplies necessary for our business. Further, a failure by a third-party sub-contractor to comply with applicable laws, rules or regulations or to obtain the necessary approvals or provide services in accordance with the contract could negatively impact our business and may result in fines, penalties, suspension or even debarment. In the past, we have faced delays in release of supplies by our sub-contractors which has resulted in delay in completion of such projects by us which may result in imposition of liquidated damages. Further, as our business is labour intense, we may face labour disputes that could interfere with our operations and business.

9. ***The nature of our EPC Business exposes us to defect liability and warranty claims***

Where we are the principal contractor under an EPC contract, we remain responsible for ensuring satisfactory performance under the contract and remain liable to rectify defects. Our EPC contracts typically have defect liability period of 18 months from the date of mechanical completion or 12 months from the date of commissioning, whichever is earlier. We estimate the amount of liability for warranty claims on the basis of the technical assessment made by the project management team. Based on this assessment and historical experience we provide 0.5% of cumulative revenue recognised in respect of contracts valued below Rs. 5,000.00 million and 0.25% for the contracts valued above Rs. 5,000.00 million. As of March 31, 2010, we had provisions of Rs. 84.08 million for warranty costs. As of March 31, 2010, our projects under warranty include the offsite and storage facilities for the Naphtha Cracker at Panipat for Indian Oil, the intermediate crude oil storage terminal and pumping facilities for Viramgam Terminal for the Barmer Salaya Pipeline Project at Viramgam for a British oil and gas company, the revamping of gas gathering station-1 (GGS-1) at Rudrasagar (Assam) for ONGC, the construction of offsite facilities and utilities (EPCC-6B Package) for the residue upgradation and quality improvement project at the Gujarat Refinery at Vadodara for Indian Oil and the construction of utilities and offsite facilities (EPCC-6A Package) for the residue upgradation project at the Gujarat Refinery at Vadodara for Indian Oil. For further information, see “EPC Business - Order Book” in the section “Business” beginning on page 73 of this Draft Red Herring Prospectus. However, there can be no assurances that such provisions will be adequate to cover the costs we may incur to correct defects for our projects. In particular, we may be liable for the work of our sub-contractors and suppliers. Although we typically receive guarantees, warranties and/or retentions from our sub-contractors and suppliers until the expiry of the defect liability period, there can be no assurances that such guarantees, warranties and/or retentions will prove to be adequate to cover any liabilities which may arise during the defect liability period.

10. ***The acquisitions contemplated by our growth strategy involve a number of risks***

A substantial aspect of our growth strategy involves potential acquisitions. We may pursue acquisitions in a number of areas where we identify market opportunities to expand our business, where we identify target companies that enable us to capture a larger portion of the EPC value chain or where we identify target companies in other identified sectors, including offshore EPC operators and companies with seismic data analysis and 3D-seismic capabilities, as well as other opportunistic acquisitions.

However, we may fail to identify the acquisitions contemplated by our growth strategy. Even if we are successful at identifying future acquisition targets consummating the acquisitions contemplated by our strategy, any such acquisitions may require significant investments which may not result in favourable returns. Acquisitions involve various risks, including:

- uncertainties in assessing the strengths and potential profitability, and the related weaknesses, risks, contingent and other liabilities, of acquisition targets;
- changes in business, industry, market, or general economic conditions that affect the assumptions underlying our rationale for pursuing the acquisition;
- inability to achieve identified operating and financial synergies anticipated to result from an acquisition;
- potential loss of key customers, management or employees of an acquired business;
- nature and composition of the workforce, including the acquisition of a unionised workforce;
- diversion of our management's attention from other business concerns;
- regulatory challenges for completing and operating the acquired business, including opposition from environmental groups or regulatory agencies;
- unforeseen contingent risks or latent liabilities relating to these businesses that may become apparent only after the merger or acquisition is completed; and
- to the extent we pursue risks outside of India, risks related to operating in foreign jurisdictions, including increased exposure to foreign government and currency risks with respect to any international acquisitions.

Any one or more of these factors could cause us not to realise the benefits we might anticipate from an acquisition. Moreover, any such acquisition could materially increase our liquidity and capital resource needs and may require us to incur indebtedness, seek equity capital or both. In addition, future acquisitions could result in us assuming significant long-term liabilities relative to the value of the acquisitions.

We may also be unable to integrate the acquired business with our existing businesses to be able to fully realise the benefits of our acquisitions. Our acquisition of Stewarts and Lloyds of India Limited, a specialist piping construction company, in 2004 to capitalise on its expertise in the metal sector has not yielded the anticipated results.

On August 12, 2010, we entered into a non-binding term sheet to acquire a 60.0% equity interest each in Newsco Canada and certain related entities by September 30, 2010. The consideration for the proposed acquisition of Newsco Canada will consist of our shares of Newsco Asia and cash. Pursuant to the completion of our proposed acquisition of Newsco Asia on September 14, 2011, we intend to reconsolidate the Newsco Asia business with Newsco Canada's global platform. We cannot assure you that we will be able to consummate our proposed acquisition of Newsco Canada. Our acquisition of Newsco Canada is subject to a number of conditions, including our entry into definitive documentation with Newsco Canada. If we are able to consummate our proposed acquisition of Newsco Canada, we cannot assure you that we will be able to successfully integrate Newsco Canada with our existing business. The success of the acquisition of Newsco Canada will depend in part on our ability to successfully manage its business and operations as a more fully vertically integrated upstream service provider. The management of Newsco Canada, supervised by us, will be required to devote considerable time and resources towards making its operations more profitable. For more information about Newsco Asia and Newsco Canada, see the section "Business" beginning on page 73 of this Draft Red Herring Prospectus.

11. ***We intend to continue to grow our business in a number of ways that exposes us to a variety of risks***

We intend to grow our businesses in a number of ways, including through geographical expansion and expansion in new business segments, both organically and through acquisitions, alliances and similar arrangements. Our expansion plans expose us to a variety of risks, including the risk that we will not be able to successfully grow our business in the manner we anticipate, that we will enter into business segments that we are unable to operate profitably, that we will not fully identify the risks associated with any new geographies or business segments, that our expansion will strain our financial position in a manner that makes us unable to finance our business and other risks that may harm our existing business and make our expansion plans unsuccessful. Although we have initiated processes of identifying opportunities for certain of our expansion plans, we do not necessarily have specific timelines for the implementation of all of our expansion plans and there can be no assurances that we will successfully grow our business in the manner we contemplate or at all. Additionally, our expansion plans may also significantly challenge our management, administrative and financial resources.

12. ***A substantial portion of our business has historically been conducted with, and dependent on, Promoters and Promoter Group companies; we have entered into certain related-party transactions and continue to rely on our Promoters and Promoter Group companies for certain key development and support activities***

We have historically been dependent on, and the successful expansion of our business will continue to depend on, our Promoters and Promoter Group companies in a number of ways, including for the award of contracts for our EPC Business and the award of operation and maintenance contracts for our Terminalling Business, customer relationships, experience, technical expertise, best practices and access to markets. For example, within our EPC Business, our two highest value completed EPC projects, as well as the four highest value EPC projects in our EPC Order Book, were awarded to us by Promoter Group companies and, while we believe that the contracts were awarded on an arms' length basis, there can be no assurances that we would have been awarded similarly valued projects undertaken by independent third parties. Similarly, we also operate a number of our terminals for Indian Oil. Furthermore, a number of our joint venture partners are Promoter Group companies, including Mabagas, who we depend on for the development of our Renewable Energy Business and Skytanking, who we depend on for developing, operating and maintaining aviation fuel farm facilities and into-plane refuelling services.

For the years ended March 31, 2008, 2009 and 2010, we provided construction and engineering services to Indian Oil of Rs. 4,156.69 million, Rs. 6,372.60 million and Rs. 7,159.93 million, which accounted for 41.8%, 43.9% and 52.8% or our total consolidated revenue for those periods, respectively. As of June 30, 2010, Rs. 19,830.36 million, 69.37%, of our EPC Order Book related to awards by our Promoters or Promoter Group Companies. We have also entered and may continue to enter into a number of other related-party transactions with our Group Companies and associates. For additional details, see note 7 to our consolidated restated financial statements in the section "Financial Statements" beginning on page 187 of this Draft Red Herring Prospectus.

13. ***The nature of our EPC Business exposes us to liability claims and contract disputes which may reduce our profits***

We engage in EPC projects that can result in substantial injury or damages to third parties. In addition, the nature of our business results in customers, sub-contractors and vendors occasionally presenting claims against us for recovery of cost they incurred in excess of what they expected to incur, or for which they believe they are not contractually liable. We have been, and may in the future be, named as a defendant in legal proceedings where parties may make a claim for damages or other remedies with respect to our projects or other matters. These claims generally arise in the normal course of our business. When it is determined that we are liable, we may not be covered by insurance which is maintained for such exposure. Any liability not covered by our insurance, in excess of our insurance limits or, if covered by insurance but subject to a high deductible, could result in a significant loss for us, and reduce our cash available for operations. For further information, see the section "Outstanding Litigation and Material Developments" beginning on page 310 of this Draft Red Herring Prospectus.

14. ***We are dependent on the key personnel as well as the availability of qualified technical personnel***

We are dependent on certain key senior management, including members of our board and senior management for setting our strategic direction and managing our business. We currently do not maintain keyman insurance for any of our management or employees. We are also dependent on a significant number of our employees who are skilled engineers and due to the limited pool of available skilled personnel, we face strong competition to recruit and retain skilled and professionally qualified staff. Our continued future success also depends upon our ability to recruit and retain a large group of experienced professionals and staff. The loss of the services of our senior management, including our Directors, or our inability to recruit, train or retain a sufficient number of experienced personnel could have a material adverse effect on our operations and profitability. Our ability to retain experienced staff members as well as senior management will in part depend on our maintaining appropriate staff remuneration and incentive schemes in accordance with then prevailing private sector industry standards. We cannot assure you that the remuneration and incentive schemes we have in place will be sufficient to retain the services of our senior management and skilled employees.

15. ***We regularly work with volatile and hazardous materials, such as crude oil and petroleum products, that subject us to operating risks that could adversely affect our operating results***

Due to the nature of our business, including the storage of crude oil and petroleum products, we handle many highly flammable and explosive materials. Consequently, our operations are subject to hazards associated with using, storing, transporting and disposing such materials, including explosions, fires and the effects of severe weather conditions, mechanical failures, spills, discharges, leaks and terrorist attacks. These hazards can cause personal injury and loss of life, catastrophic damage to or destruction of property and equipment and environmental damage and could result in a suspension of operations at our EPC or Upstream Services projects or our terminalling facilities, imposition of civil or criminal penalties or substantial liabilities to third parties, including our customers.

We maintain insurance on our facilities and equipment as well as third party liability insurance which we believe is in accordance with relevant regulations and customary industry practices. However, the amount of the insurance coverage may be less than the replacement cost of all covered property and may not be sufficient to cover all financial losses. In addition, as a result of market conditions, premiums and deductibles for certain insurance policies can increase substantially and, in some instances, certain insurance may become unavailable or available only for reduced amounts of coverage. As a result, we could incur substantial liability for which we are not fully insured. Furthermore, the occurrence of accidents at projects and facilities in which we are involved could damage our reputation.

In addition, our terminalling operations are subject to the risk that petroleum products could leak or migrate from our terminalling facilities, causing a loss of volumes stored in the terminalling facilities for which we would be liable to deliver the stored volumes back to our customers. We may not be able to obtain insurance to protect against this risk.

16. ***We are undertaking projects in areas that may pose security risks***

Some of our assets and EPC, Terminalling and Upstream Services Business operations are located in areas within India that are exposed to security risks such as rebel attacks, civil strife, riot, strike, and malicious and terrorist attacks. For example, the Paradip Refinery Storage Terminal is located in a region of India that experiences Maoist rebel activities. We have in the past experienced disruptions to our operations due to security issues, such as our seismic services project at Karbi Anglong, Assam for OIL which as the subject of security concerns due to the activities of Naxalite rebels. Additionally, in 2009, four of our personnel were kidnapped by insurgents and released after being held hostage for 14 days in Karbi Anglong, Assam. There can be no assurance that in the future such incidents will not continue, or even increase, or that security measures implemented by us will prevent such incidents or limit the consequences thereof. We have limited insurance coverage for losses arising from civil war, revolution, rebellion, civil strife, riot, strike, and malicious and terrorist damage. These circumstances could materially and adversely affect our operations and time taken to complete our projects in such affected areas.

17. ***We are involved in a number of legal proceedings that, if determined against us, could have a material adverse impact on our financial condition and results of operations***

There are outstanding legal proceedings involving us, our Promoters and our Group Companies. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate tribunals. Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and liabilities. We cannot assure you that these legal proceedings will be decided in our favour. Any adverse decision may have a material adverse effect on our business, prospects, financial condition and results of operations. For further details on these proceedings, see the section "Outstanding Litigation and Material Developments" beginning on page 310 of this Draft Red Herring Prospectus.

Brief details of legal proceedings involving our company, the Promoters (matters involving financial implications of Rs. 5,000.00 million or its equivalent in any currency and above) and the Group Companies (matters involving financial implications of Rs. 1,000.00 million or its equivalent in any currency and above) and the amounts claimed in these proceedings have been disclosed to the extent ascertainable below:

Litigation against the Company

Sr. No.	Nature of cases	No. of outstanding cases	Amount involved (in Rs. million)
1.	Civil proceedings	2	7.39
2.	Criminal proceedings	1	Not ascertainable
3.	Arbitration proceedings	4	281.67
4.	Notices*	11	190.63

* *Includes show cause cum demand notices/ orders issued in relation to service tax and sales tax*

Litigation against our subsidiaries

Sr. No.	Nature of cases	No. of outstanding cases	Amount involved (in Rs. million)
1.	Civil proceedings	7	27.16
2.	Criminal proceedings	1	Not ascertainable
3.	Show cause cum demand notices	2	6.10

Litigation against the Directors

Nil

Litigation against our Promoters

Sr. No.	Nature of cases	No. of outstanding cases	Amount involved (in Rs. million)
1.	Civil proceedings	1	50,000.00
2.	Tax proceedings	4	30,464.60

Litigation against the Group Companies

Sr. No.	Nature of cases	No. of outstanding cases	Amount involved (in Rs. million)
1.	Tax proceedings	1	1,210.99

18. ***Our terminals depend on the continuous operation of third-party owned or operated methods of receipt and dispatch such as pipelines, and demand for our terminalling services depend on the principal facilities that our terminalling facilities service as well as demand for petroleum products in relevant markets***

Throughput at our terminalling facilities depends on the continuous operation of third-party owned or operated receipt and dispatch facilities such as pipelines, and demand for our terminalling services depend on certain third-party owned and operated facilities, such as the refineries and airports that our terminal facilities service. Because we generally do not own or operate these facilities, we are susceptible to the risk that the facilities fail to continuously operate due to repair, mechanical failure, lack of capacity or factors that affect the businesses of the owners of such facilities, such as a lack of demand for petroleum products in a particular region in India or fluctuations in the prices of petroleum products that may make the use of alternative products more attractive. Additionally, the owners and operators of such facilities may elect to make operational changes that reduce demand for our terminalling services at a particular facility. For example, our terminal at Goa stores naphtha on a throughput basis, which is primarily supplied to a fertilizer plant owned by ZIL. ZIL is contemplating switching the fertilizer plant from naphtha to gas, which will lead to us losing our key customer at our Goa terminal.

Furthermore, as part of our strategy, we intend to capitalise on the anticipated demand for petroleum products in specific areas of India that can be serviced by our storage terminals. However, a number of factors could cause such reduced demand for our services, such as the construction of competing terminals or other facilities, such as refineries and related terminals that can service our target market with similar or superior petroleum products.

19. ***We may not be able to successfully construct and operate the Raipur Common User Terminal***

We may not be able to successfully construct and operate the proposed Raipur Common User Terminal at Raipur, Chattisgarh for which we intend to use a portion of the proceeds from the Issue. Although we have acquired a substantial portion of the land that we will require for construction of the terminal, the successful construction of the facility is subject to a number of contingencies such as the acquisition or lease, or securing rights of way over, tracts of private or public land free of encroachments which is required to set up the Raipur Common User Terminal or receipt of the requisite approvals and licenses necessary to set up the Raipur Common User Terminal. We may also be unable to secure binding contracts from customers, from whom we have received indications of interest, such as Indian Oil and another public sector petroleum company, to provide terminalling services at the Raipur Common User Terminal. These and other such factors may result in our being unable to execute the Raipur Common User Terminal, or may result in an alteration in the proposed storage capacity of the Raipur Common User Terminal. We have not received any firm commitment on the capacity requirements of our target customers for the Raipur Common User Terminal and have not entered into any binding contracts with them. Any alteration to the capacity requirements indicated by our target customers or a delay in finalising the commercial terms may increase the capital costs involved and the time required to successfully complete the Raipur Common User Terminal. Any delay in the Raipur Common User Terminal may alter the deployment of proceeds of the Issue.

20. ***Our Terminalling Business is subject to increases in electricity costs and shortage of supply in power***

Our Terminalling Business is dependent on the uninterrupted supply of power. India faces a power shortage problem which leads to frequent power cuts imposed by various state electricity boards. Such frequent power cuts result in greater fuel consumption at the terminals owned or maintained by us and account for an increase in fuel costs. For example, we were subject to increased fuel costs at our terminal at Navghar, Navi Mumbai in 2005 and Dumad in 2008. There is a cap on the electricity charges in our BO contracts such as OIL terminal and processing facility in Tengakhat and the Indian Oil Terminal in Dumad and our O&M contract for the Paradip Refinery Storage Terminal. In the event of an increase in cost on account of a rise in tariff, we will be responsible for the increased costs at these terminals. Additionally, electricity charges could be higher than anticipated by us due to increased consumption of electricity on account of higher throughput at the terminals owned or maintained by us.

21. ***Our Upstream Services Business involves uncertainties and operating risks that can prevent us from realising profits and may cause losses***

In our Upstream Services Business, we are subject to risks that projects may be delayed or may not be entirely successful for many reasons, including financial constraints, cost overruns, lower oil and gas prices, equipment shortages, mechanical and technical difficulties, the failure to obtain necessary governmental approvals by our customers and industrial action. For example, in the course of directional drilling projects we are subject to the risk of equipment failure or loss while drilling below the surface and we may not be compensated for any such loss. Additionally, any such loss or failure could result in delays or cost overruns on the drilling project, which would reduce the profitability of the project or result in a loss. We may also undertake upstream service projects in difficult terrain, or in high security risk areas, or both, such as our seismic services project at Karbi Anglong, Assam for OIL.

22. ***We are jointly and severally liable for the defaults under the financing arrangements for the Paradip Refinery Storage Terminal***

IOT Utkal, a joint venture in which we, Oiltanking and IVRCL hold 52.5%, 10.0% and 37.5% of the equity share capital, respectively, was awarded a BOOT contract for the construction, operation and maintenance of the Paradip Refinery Storage Terminal by Indian Oil in November 2009 pursuant to an international competitive bidding process. The project is funded through a combination of equity and debt. IOT Utkal has entered into loan agreements for Rs. 23,528.50 million. IOT Utkal has also entered into a subscription agreement for the issue of compulsorily convertible debentures aggregating Rs. 2,000.00 million to L&T Infrastructure Company Limited and an Indian private sector steel major. In consideration for such investment by L&T Infrastructure Company Limited and an Indian private sector steel major, security has been provided by us, IOT Utkal, Oiltanking and IVRCL, together with IVRCL Assets & Holdings Limited which includes, amongst other things, a pledge of 49.0% of the equity shares in IOT Utkal. If this share pledge is invoked, we cannot assure you that our equity interest in IOT Utkal will continue to be at least 51.0% to remain a subsidiary of our Company. Further, we are jointly and severally liable for the redemption of the compulsorily convertible debentures in accordance with the terms of the compulsorily convertible debentures. If either of IVRCL or we are unable to perform our obligations in respect of the compulsorily convertible debentures, L&T Infrastructure Company Limited and an Indian private sector steel major will be entitled to convert their compulsorily convertible debentures into equity shares in IOT Utkal. We cannot assure you that in the event of such conversion IOT Utkal will continue to hold at least 51.0% equity interest to remain a subsidiary of our Company. This may have a material adverse affect on the disclosures made in "Paradip Project" in the section "Objects of the Issue" beginning on page 39 of this Draft Red Herring Prospectus.

23. ***There are limits on the duration of our rights to operate the existing and future terminals and other facilities of our Terminalling Business***

Other than our two owned terminals at Navghar and Goa, our rights to operate the terminals and other facilities of our Terminalling Business are of a limited duration. With respect to our facilities that are operated under a BOOT arrangement, we are required to transfer ownership and operation of the facility to its owner at the end of the period prescribed by the relevant contract. For example, we are required to transfer ownership of the CPCL LPG terminal to CPCL in 2013, while we have operation rights through February 2018. Similarly, our BOOT arrangements with respect to the Paradip Refinery Storage Terminal provide us operational and ownership rights through 2028 and the period of time during which we are able to achieve our anticipated return on our investment in the facility is limited, which makes our return on investment more susceptible to any factors that may cause the facility to operate at less profitable levels than had been anticipated by us.

Similarly, each of our operation and maintenance contracts for the terminals and other facilities of our Terminalling Business are subject to expiration and there can be no assurances that we will obtain renewals of rights to continue to operate our terminals beyond the expiration of the applicable contract. For additional information of the duration of our operation and maintenance rights for our terminals and other facilities, see "Terminals" in the section "Business" beginning on page 73 of this Draft Red Herring Prospectus.

24. ***The failure of our joint venture partners to perform their joint venture obligations could impose additional obligations that could result in reduced profits***

We enter into various joint ventures as part of our business, including project-specific joint ventures, where control may be shared with unaffiliated third parties. We are also dependant on our joint venture partners such as ZIL, IVRCL, Katoen Natie, Skytanking and Mabagas and our technology partners such as Elnusa, Newsco and KCS to expand our businesses in to areas in which we intend to grow with the expertise of such joint venture and technology partners. Differences in opinions or views between joint venture partners can result in delayed decision-making or failure to agree on material issues which could adversely affect the business, operations and growth of the venture. From time to time in order to establish or preserve a relationship, or to better ensure venture success, we may accept risks or responsibilities for the joint venture which may not be necessarily proportionate with the reward that we expect to receive. The success of these and other joint ventures also depends, in large part, on the satisfactory performance by our joint venture partners of their joint venture obligations, including their obligation to commit working capital, equity or credit support as required by the joint venture and to support their indemnification and other contractual obligations. If our joint venture partners fail to satisfactorily perform their joint venture obligations as a result of financial or other difficulties, the joint venture may be unable to adequately perform or deliver its contracted services. Under these circumstances, we may be required to make additional investments and provide additional services to ensure the adequate performance and delivery of the contracted services. These additional obligations could result in reduced profits or, in some cases, increased liabilities or significant losses for us with respect to the joint venture. In addition, a failure by a joint venture partner to comply with applicable laws, rules or regulations could negatively impact our business and, in the case of government contracts, could result in fines, penalties, suspension or even debarment.

25. ***We have limited excess capacity in our terminals which may prevent us from benefiting from increase in spot storage prices or from the further development of a spot storage market in India***

A critical aspect of our strategy in implementing terminalling projects is to ensure that a substantial portion of the project's capacity is contracted to third parties on a "take or pay" basis due to the limited spot market for storage facilities in India. As a result of this strategy, the benefit we receive from increases in spot prices for terminalling services is extremely limited and we may not be in position to capitalise on the further development of a spot market in India.

26. ***Our business is dependent on the limited number of oil and gas companies in India***

The upstream and downstream oil and gas industry in India is highly concentrated among a limited number of companies, primarily PSUs. Consequently, our Terminalling Business and our Upstream Services Business, as well as our EPC Business, which is highly dependent on the oil and gas sector, is dependent on its relationships will a limited number of companies. In particular, within our Terminalling Business, our five largest customers were for the year ended March 31, 2010, were a HPCL, ONGC, CPCL, Indian Oil and BPCL, which accounted for 25.6%, 15.5%, 14.5%, 19.3% and 12.3% respectively, of our total revenues, which a HPCL, ONGC and CPCL, our three largest Terminalling Business customers accounting for 60.4% of our Terminalling Business revenue in the aggregate. As a result of limited customer base, as well as the highly concentrated nature of the oil and gas industry in India, the capital expenditures, business policies and product strategies of these customers has had and will continue to have a significant impact on our business, prospects, financial condition and results of operations. We cannot assure you that we will be able to maintain or improve our relationships with our customers, or that we will be able to continue to provide terminalling services to these customers at current volumes or prices, or at all. If any of our key customers substantially reduces, changes, delays or cancels their contracts with us, or terminates their business relationships with us, we may not be able to obtain orders on comparable terms, or in a timely manner, or at all, from other customers to replace any such lost orders. Our terminals are constructed to suit our customers specifications and specific needs. If any of our customers cancels their contract with us, we may be unable to recover our return on investment.

Additionally, many of the oil and gas companies in India, including our customers, have the ability to service their terminalling requirements internally, and there can be no assurance that these customers will continue to utilise our terminalling services.

27. ***If we do not effectively manage our foreign operations and projects, we may incur losses or otherwise adversely affect our business and results of operations***

We have a presence in several countries and have recently established operations or undertaken projects in a number of jurisdictions outside of India. We may continue to expand our business in other countries either directly or through acquisitions or joint ventures. Because of our relatively limited experience in operating outside India, we are subject to additional risks related to our international expansion strategy, including risks related to complying with a wide variety of national and local laws, uncertain political and economic environments, government instability, restrictions on the import and export of certain technologies, expropriation or deprivation of assets and multiple and possibly overlapping tax structures. In addition, we may face competition in other countries from companies that may have more experience of operations in such countries or with international operations in general.

We may also face difficulties in integrating new facilities in different countries into our existing operations, as well as integrating employees that we hire in different countries into our existing corporate culture. If we do not effectively manage our foreign operations, this may have a material adverse effect on our business, prospects, financial condition and results of operations.

28. ***We are in part dependant on the receipt of funds from our subsidiaries, whether through dividends or otherwise***

We conduct a substantial portion of our business through our subsidiaries and we are in part dependent on the receipt of funds from our subsidiaries to meet our liquidity requirements to fund our business and service our indebtedness and to make any future dividend payments to our shareholders. The ability of our subsidiaries to provide us with funds is dependent on a number of factors, including the results of operation and financial condition of the subsidiaries, including their working capital requirements and their ability to service their debt obligations. Our subsidiaries' ability to provide us with funds is also subject to applicable laws and regulations, as well as the terms of the existing and future credit facilities of our subsidiaries.

29. ***Our Upstream Services Business encounters competition from other oil and gas upstream service providers, including well engineering and directional drilling companies***

The Upstream Services Business is an extremely competitive business. The competitors in our Upstream Services Business are well established domestic and international oil and gas services providers as well as engineering companies. We may face operational and financial disadvantages competing against such companies. For example, we currently do not have access to 3D-seismic technology or in-house seismic data processing and interpretation capabilities which may put as at a competitive disadvantage in competing with certain companies to provide integrated seismic services. We may be unable to develop or procure the technology needed to optimise our strategy to be a preferred integrated service provider in upstream oil and gas.

30. ***Upon the occurrence of a force majeure, we or our customers may temporarily suspend performance under EPC contracts and Terminalling and Upstream Services agreements***

Our EPC contracts and Terminalling and Upstream Services Business agreements typically contain force majeure provisions allowing temporary suspension of contract by us or our customers during the duration of specified events beyond the control of the affected party, including events such as strikes, adverse weather conditions and serious transportation issues. To the extent there was an extended force majeure with respect to a significant project that we were undertaking, for example a large EPC project, it could have a material adverse impact on our revenues and cash flows, which could impair our ability to meet our liquidity and working capital requirements.

31. ***We are controlled by Indian Oil and Oiltanking India, which have the ability to exercise significant control over us and the interests of which may conflict with your interests as a shareholder***

Following the completion of the Issue, Indian Oil and Oiltanking India will beneficially own 37.41% each of our post-issue share capital. Accordingly, subject to our Articles of Association, the joint venture agreement, applicable laws and regulations, Indian Oil and Oiltanking India have the ability to exercise significant control over matters requiring approval by shareholders, including the election and removal of directors and other significant corporate transactions. As a result, Indian Oil and Oiltanking India may take actions with respect to our business that may not be in our or our other shareholders' best interests. Indian Oil and Oiltanking India could, by exercising their powers of control, delay or defer a change in our control or a change in our capital structure, delay or defer a merger, consolidation, takeover or other business combinations involving us, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us. Oiltanking operates across different geographies in several of our business areas, including terminalling, in-to plane fuelling and biogas production. There exist restrictions on our Terminalling Business's ability to operate in and compete with Oiltanking in countries other than India. There can be no assurance that Indian Oil and Oiltanking India will not take actions with respect to our business to differentiate our business from Indian Oil's or Oiltanking India's businesses and avoid competition in certain areas in the future. Such actions, while perhaps beneficial when viewing the two companies' joint interests, may not be in our best interests alone. We cannot assure you that we will be able to satisfactorily resolve conflicts of interest with our Group Companies which are engaged in similar businesses as us.

32. ***We may be required to write down or write off certain of our strategic investments or investments in our subsidiaries, associates or joint ventures***

We have made and may continue to make certain investments in our subsidiaries, associates, joint ventures or other entities, and loans, advances and other commitments to support certain of our subsidiaries, associates and joint ventures and such investments may in future exceed the amount of our net worth. These investments and commitments have included capital contributions to enhance the financial condition or liquidity position of our subsidiaries, associates and joint ventures, such as corporate guarantees provided by us for our subsidiaries to SBI, Oman for USD 27.87 million and for IOT Anwesha, in favour of SBI, Baroda, for maximum amount of Rs. 206.60 million. If the business and operations of these subsidiaries, associates, joint ventures or businesses deteriorate, investment may be required to be written down or written off or further capital injections may be required to be made. Additionally, certain loans or advances may not be repaid or may need to be restructured, or we may be required to outlay capital under our commitments to support such companies. We may also be required to write off certain investments as a result of adverse market conditions.

33. ***We have experienced negative cash flows from operating activities for the years ended March 31, 2008 and 2009; negative cash flows from operating activities in future periods could impair our ability to meet our liquidity and capital resource requirements***

For the years ended March 31, 2008 and 2009, we experienced negative cash flows from operating activities of Rs. 627.74 million and 225.53 million respectively, as a result of higher working capital requirements. Negative cash flows from operating activities in future periods could impair our ability to meet our liquidity and capital resource requirements, including that necessary to procure the necessary equipment for the fulfilment of our contracts, finance our expansion plans, including acquisitions, and make the necessary investments in our business in order to remain competitive.

34. ***Our internal auditors have identified a number of issues with respect to the accounting practices of one of our subsidiaries***

Our internal auditors identified a number of issues with respect to the accounting practices of our subsidiary, IOT Anwesha, including:

- inadequate documentation procedures for fixed assets;
- variances between actual and budgeted costs; and
- a degree of rejection of sales invoices on technical grounds by our customers which may distort profitability and create problems in reconciling statutory returns and liabilities and result in an excess of direct and indirect taxation.

There can be no assurances that these issues can be promptly remedied and any failure to remedy these issues could have adverse consequences on our ability to compile and report financial information with respect to IOT Anwesha.

35. ***Some of our Group Companies have incurred losses, have negative net worth or are in the process of winding up during the past years. We cannot assure you that we will not incur losses in the future.***

Some of our Group Companies have incurred losses during their past financial years, as set forth in the table below:

(Rs. in Million)

Name of Company	**For years ended 31 March**		
	2008 (Rs Million)	**2009**	**2010 (Rs Million)**
Lanka IOC PLC	2,340.40	(1,237.75)	(422.70)
Petronet India Limited	(7.42)	(270.63)	(9.54)
Petronet V.K. Limited	(280.59)	(251.18)	(250.00)
Indian Oil Panipat Power Consortium Limited	0.62	0.15	(0.15)

Our Group Company, Petronet V.K. Limited has also experienced negative net worth during the past financial years, as set forth in the table below:

(Rs. in Million)

Name of Company	**For years ended 31 March**		
	2008	**2009**	**2010**
Petronet V.K. Limited	(623.61)	(874.79)	(1,124.79)

Some of our Group Companies, Indian Oil Technologies Limited and Petronet CI Limited are in the process of winding up their businesses. For further details, see the section "Group Companies" beginning on page 152 of this Draft Red Herring Prospectus.

36. ***Any deterioration of our credit ratings could have an adverse impact on our cost of funding and borrowing ability and may impact investor perception of our business***

Our current long term loan domestic rating is AA- and our short term loan domestic rating is F1+ as rated by Fitch in November 2009. There can be no assurances that Fitch or other rating agencies will not downgrade our ratings in the future. Any deterioration in our credit ratings could result in increased funding costs for us and may limit our funding sources or impact our liquidity.

37. ***The Indian oil and gas sector is dominated by a limited number of PSU oil and gas companies on which we depend for our revenues***

We have historically earned a significant proportion of our revenues and cash flows from a limited number of customers particularly, the major Indian national oil and gas companies, including downstream companies, such as Indian Oil and other public sector oil companies and upstream companies such as ONGC and OIL that dominate the Indian oil and gas sector. Transaction business with PSUs can subject us to risks. For example, PSUs may have political rather than economic considerations in the manner in which they transact business, they are required to undertake specific bidding processes that could require them to rescind contracts awarded to us in the event of non-compliance, PSUs may be involved in public sector sponsored projects that are more frequently subject to delay or postponement and PSU clients may require additional time to take action, including with respect to projects and the payment of bills.

We may be subject to additional regulatory or other scrutiny associated with commercial transactions with government owned or controlled entities. Additionally, contracts with PSUs are subject to various uncertainties, restrictions, and regulations including oversight audits by various government authorities and profit and cost controls. Government contracts are also exposed to uncertainties associated with funding.

38. ***Contracts awarded to us by PSUs are standard form government contracts and contain many terms that favour the PSU***

The counterparties to most of our EPC Business are PSUs. We have had only a limited ability to negotiate the terms of these contracts, which means that many terms in our contracts tend to favour our customers. The relevant terms of certain contracts that we believe present risks to our business are as follows:

- ambiguity whether design review and approval by a customer releases us from design and engineering liability, in particular latent defects;
- to the extent defects in site or geological conditions were unforeseen or latent from our preliminary investigations, design and engineering prior to submitting a bid, we may assume the risks associated with such defects and may not have any recourse to our customers;
- ambiguity whether liability is excluded for defects arising after the end of the defect liability period;
- our customers discretion to grant time extensions and approve the change order;
- generally the absence of a cap on our liability as contractor;
- ambiguity as to whether we are liable for consequential or economic loss to our customers; and
- our customer's right to terminate our contracts for convenience.

39. ***We are bound by certain restrictive covenants contained in our financing agreements as well as shareholders' and joint venture agreements***

Many of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. These include, among other things, undertaking new projects, issuing new securities, alteration of Articles and Memorandum, declaring dividends in the event of non-payment and making certain investments beyond the approved amount. Such provisions are common in financing agreements with Indian lenders and are generally imposed on Indian borrowers, including ourselves, with little or no variation. For details, see the section "Financial Indebtedness" beginning on page 301 of this Draft Red Herring Prospectus.

Any failure to comply with the requirement to obtain a lender consent, or other condition or covenant under the financing agreements that is not waived by the lenders or is not otherwise obtained by us, may lead to a termination of our credit facilities, acceleration in payment of all amounts due, in whole or in part, under such facilities along with related costs and trigger cross default provisions under certain of our other financing agreements, and may adversely affect our ability to conduct our business and operations or implement our business plans. Our lenders also have the right to substitute us as contractor in certain of our contracts such as the Paradip Refinery Terminal Storage BOOT Contract, O&M services agreement with IOT Utkal and the transport services agreement with CPCL. If the obligations under any of the financing agreements are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under the financing agreements, thereby reducing the availability of cash flow to meet working capital requirements and use for other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. If the obligations under any of the financing agreements are accelerated or if the lenders of a material amount of the outstanding loans declare an event of default simultaneously, we may be unable to pay our debts as they fall due.

Further, there are certain restrictive covenants in the shareholders' and joint venture agreements entered by us, including transfer restrictions and breach or violation of the same may lead to breach of the agreement.

40. ***Changes in technology may render our current technologies and equipment obsolete or require us to make substantial capital investments***

Our EPC Business and Upstream Services Business operations depend on key pieces of plants, equipment and machinery, including design software, down hole mud motors, MWD, LWD with resistivity tools and drilling jars. Further, a significant part of the equipment which we use requires maintenance, upgrading, revamping or replacement. Despite the planned significant operating and capital expenditure there can be no guarantee that the equipment will not suffer material damage through wear and tear, natural disasters or industrial accidents, or will not require further significant capital improvements or maintenance in the future.

Additionally, we may fail to maintain sufficient financing and budgetary controls, planning and monitoring systems, procurement coordination, scheduling for technology upgrading and maintenance and efficient use of hired services with respect to our equipment, all of which may increase the cost of EPC and upstream activities which could have a material adverse effect on our business, prospects, financial condition and results of operations.

Additionally, our business spans a wide range of activities and products that are subject to rapid and significant changes in technology. Although we have access to directional drilling technology including MWD technology through our acquisition of Newsco Canada's Asia business and our investment in and agreements with Newsco Services and we strive to keep our technology in accordance with the latest international technological standards, the MWD and LWD resistivity tools and other technologies currently employed may become obsolete or subject to competition from new technologies in the future. The cost of implementing new technologies, training personnel or expanding capacity and allocation of resources to research and development, could be significant and highly capital intensive and could adversely affect our results of operations.

41. ***Our profitability may be adversely affected if we cannot continue to use, license or enforce the technology and other intellectual property rights on which our businesses depend***

Our name and logo are not registered. Except for Newsco Asia and Newsco Services, none of our businesses own intellectual property rights. We rely upon intellectual property laws, including patents, trademark and trade secret laws, as well as confidentiality procedures and contractual provisions included in agreements with our employees, customers, suppliers, technology collaborators, joint venture partners and other parties, to establish and maintain intellectual property rights in the technology and services we sell, provide or otherwise use in our operations. However, any of our technology and intellectual property rights or technology and intellectual property licensed to us could be challenged, invalidated or circumvented, or such technology or intellectual property rights may not be sufficient to permit us to take advantage of current market trends or otherwise to provide competitive advantages. The laws of India do not protect proprietary rights to the same extent as those of more developed countries. Enforcement of such laws in India may be weak and resolution of intellectual property disputes may be time consuming and ineffective.

Unauthorised parties may infringe upon or misappropriate our products, services or proprietary information. The misappropriation or duplication of our intellectual property could disrupt our ongoing business, distract our management and employees, reduce our revenue and increase our expenses. We may need to litigate to enforce our intellectual property rights or to determine the validity and scope of the proprietary rights of others. Any such litigation could be expensive and divert our attention and resources from operating our company. Because of the rapid pace of technological change in our industry, our technology and service offerings rely on key technologies developed by us or licensed from third parties. We may not be able to develop or continue to avail of licenses and technologies from these third parties at all or on reasonable terms, or such third parties may demand cross-licenses to our intellectual property.

42. ***Proprietary rights of our customers or our third party technology partners may be misappropriated by our employees in violation of applicable confidentiality agreements***

We require our employees to enter into non-disclosure arrangements to limit access to and distribution of our third party technology partners' or our customers' intellectual property and other confidential information as well as our own. In addition, we provide restricted access of employees to proprietary technology and customer data. However, we can give no assurance that the steps taken by us in this regard will be adequate to enforce our or any third party technology partners' or our customers' intellectual property rights. If any of our or any third party technology partner's or our customers' proprietary rights are misappropriated by our employees, in violation of any applicable confidentiality agreements or otherwise, we may lose any technological advantage that is important for our business and the third party technology partner or our customers may consider that we are liable for that act and seek damages and compensation from us in respect of it.

43. ***We may be subject to third party claims of intellectual property infringement***

Although there are currently no material pending or threatened intellectual property claims against us, infringement claims may be asserted against us in the future. Our contracts generally contain broad indemnity clauses, and under most of these contracts, we are required to provide a specific indemnity relating to third party intellectual property rights infringement. If we were to become liable to third parties for infringing their intellectual property rights, we could be required to pay substantial damages and be forced to develop non-infringing technology, obtain a license or cease licensing technology that contain the infringing technology. We may be unable to develop non-infringing technology or to obtain a license on commercially favourable or reasonable terms, or at all. We may also be required to change our methodologies so as not to use the infringed intellectual property, which may not be technically or commercially feasible and may cause us to expend significant resources. Any claims or litigation in this area, whether we ultimately win or lose, could be time consuming and costly and/or adversely affect our reputation.

44. ***Our risk management policies and procedures may not adequately address unidentified or unanticipated risks***

We are exposed to various types of market risk, such as interest rate risk and exchange rate risk, in addition to various forms of operational, legal and regulatory risks. For additional information, see "Management's Discussion of Results of Operations and Financial Condition" beginning on page 270 of this Draft Red Herring Prospectus. We have not entered into any hedging arrangements with respect to our market risks and do not have well developed risk management policies and procedures. We cannot guarantee that we will be able to develop risk management policies and procedures that are properly designed for new business areas or manage the risks associated with the growth of our existing businesses. This could have a material adverse effect on our business, prospects, financial condition and results of operations.

45. ***We have no prior experience in the Renewable Energy Business***

To enter the Renewable Energy Business, we plan to identify, develop, build, own and operate biogas and biogas-based power plants in India on a commercial scale. We have no prior experience in development, operation and maintenance of biogas and biogas-based projects with generating capacity greater than 2 MW. We cannot assure you that we will be able to identify and acquire suitable operating sites for the biogas and biogas-based plants. Any inability to effectively build, develop, and operate biogas and biogas-based plants which we may undertake may have a material adverse effect on our business, prospects, financial condition and results of operations. In addition, due to our absence of experience, we will be dependent on the knowledge and expertise of Mabagas.

In addition, biogas and biogas-based plants are subject to a number of risks, including the rapid development of technology that cause the existing technology used in the biogas and biogas-based plants developed by us to become obsolete. Such newer technologies, or the overall development of markets for the feedstock on which our biogas and biogas-based plants rely, could raise the price of feedstock to increase in a manner that renders our plants unprofitable. Viability also depends to a large extent on incentives provided by the government.

46. ***Any disaster disruption and other impairment to our IT network and other systems could adversely affect our business***

Our business is dependent on the efficient and continuous operations of our information technology systems. We had implemented our ERP System in 2006. We have implemented Oiltanking's latest global system for terminal management at our Navghar, Navi Mumbai terminal. Our IT systems may be vulnerable to computer viruses, piracy, hacking, security breaches or similar disruptive problems. Computer viruses or problems caused by third parties could lead to disruptions in our services to our customers. Fixing such problems caused by computer viruses or security breaches may require interruptions, delays or temporary suspension of our services, which could result in lost revenue and dissatisfied customers. Breaches of our IT systems, including through piracy or hacking may result in unauthorised access to our content. Such breaches of our IT systems may have a material adverse effect on our earnings and financial condition and may also require us to incur further expenditure to put in place more advanced security systems to prevent any unauthorised access to our networks.

We are in the process of setting up a disaster recovery data centre by December 2010. There can be no assurance that we can effectively set up a disaster recovery data centre or that there will be no disaster to our IT network which may have a material adverse effect on our business, prospects, financial condition and results of operations.

47. ***Our inability to obtain, renew or maintain the statutory and regulatory permits and approvals required to operate our business may have a material adverse effect on our business***

We require certain statutory and regulatory permits and approvals for our business. Laws or regulations in India and other countries in which we operate may require us to obtain licences or permits in order to bid for contracts or otherwise conduct our operations. We cannot assure you that we will receive the requisite permits and approvals particularly if our joint venture partners or consortium members are responsible for obtaining the requisite permits and approvals. In some jurisdictions, activities related to construction of our projects may be subject to the prior granting of environmental licences or permits or to prior notification. Additionally, in the future, we may be required to renew such permits and approvals and obtain new permits and approvals for any proposed operations. There can be no assurance that the relevant authorities will issue any of such permits or approvals or in the time-frame anticipated by us or at all. Failure by us to renew, maintain or obtain the required permits or approvals or comply with the conditions precedent to obtain such approvals may result in the interruption of our operations and may have a material adverse effect on our business, prospects, financial condition and results of operations.

48. ***We may not have adequate insurance coverage***

We are generally required to maintain adequate insurance cover under our contracts for EPC works, terminalling and upstream services. However, the insurance cover that we obtain may not be sufficient to protect us from all losses we may sustain. Losses suffered due to inadequate insurance cover, uninsurable risks or risks which are not insurable on commercially acceptable terms may have a material adverse effect on our business, prospects, financial condition and results of operations.

49. ***The proceeds raised in this issue are subject to market and credit risks, pending utilisation***

We intend to use the net proceeds received from the Issue in accordance with the section "Objects of the Issue" beginning on page 39 in this Draft Red Herring Prospectus. Pending utilisation for the purposes described in the "Objects of the Issue" section in this Draft Red Herring Prospectus, we intend to temporarily invest funds in instruments that we deem to be creditworthy, including money market mutual funds and deposits with banks. Factors such as interest rates, exchange rates and the creditworthiness of the counterparty, amongst others, may have a materially adverse effect on these investments which may result in our inability to use the proceeds raised in this Issue in the manner indicated by us.

50. ***We have certain contingent liabilities and capital commitments which may adversely affect our financial condition***

Our contingent liabilities and capital commitments as disclosed in our audited restated financial statements as of March 31, 2010 aggregated Rs. 351.63 million. For more detailed descriptions of our contingent liabilities see our consolidated and restated financial statements beginning on page 187 of this Draft Red Herring Prospectus. As of March 31, 2010, our consolidated contingent liabilities were as follows:

Particulars	**Amount** (*Rs. in millions*)
Disputed Income Tax Matters	114.89
Sales Tax Matter	0.58
Service Tax Matter	156.19
Wealth Tax	0.32
Right of way charges, rent and other matters	20.68
Grampanchayal Tax	58.47
Claims against the Company not acknowledged as debts being the amount deducted by the customer form the amount due to the Company	0.51
Total	**351.63**

We also have contingent liabilities in the form of potential liquidated damages under our EPC contracts, warranty obligations, contracts remaining to be executed on capital account and bank guarantees. For additional information, please see "Management's Discussion and Analysis of Results of Operation and Financial Condition-Contingent Liabilities" beginning on page 270 of this Draft red Herring Prospectus. We cannot assure you that any or all of these contingent liabilities and commitments will not become direct liabilities. In the event any or all of these contingent liabilities and commitments become direct liabilities, it may have a material adverse effect on our business, prospects, financial condition and results of operations.

51. ***We have not entered into any definitive agreements to utilise a substantial portion of the proceeds of this Issue and our estimates of use of proceeds are internal estimates***

We intend to use the proceeds of this Issue for the purposes described in the section "Objects of the Issue" beginning on page 39 of this Draft Red Herring Prospectus. The objects of this Issue are to fund equity contribution or contribution in the form of shareholder loan to IOT Utkal to part finance the development of the facilities for handling and storage of crude oil and finished products at the Paradip Refinery Storage Terminal for Indian Oil and to finance the construction and development of the Raipur Common User Terminal and for general corporate purposes. We have not entered into any definitive agreement to utilise the proceeds of this Issue. Therefore, some of the figures included under "Objects of the Issue" are based on internal management estimates and we are relying on the expertise of our subsidiary, IOTDE, for such estimates. Our internal estimates of the cost of the implementation of the projects for which the proceeds of this Issue have been allocated are only partially backed by quotes from suppliers and contractors. Our estimates for the Paradip Refinery Storage Terminal and the Raipur Common User Terminal are based on our internal management estimates and have not been independently appraised. Pending utilisation of the proceeds of this Issue for the purposes described in this Draft Red Herring Prospectus, we intend to invest the proceeds of the Issue in interest bearing liquid instruments including deposits with banks and investments in money market mutual funds and other financial products, temporarily deploy the funds in working capital loan accounts and investment grade interest bearing securities as may be approved by the Board. Such investments would be made in accordance with investment policies or investment limits approved by our Board of Directors from time to time.

We have obtained quotations for the machinery and other capital inputs proposed to be purchased for the Raipur Common User Terminal but have not yet placed orders for the same or entered into definitive agreement with any vendors/suppliers. There may be a substantial time gap in placing orders for the purchase of equipment. We cannot assure you that the actual cost of the equipment would correspond to the quotations obtained from the vendors.

52. ***We conduct business operations in Iran and may in the future conduction operations in other jurisdictions that are subject to sanctions by the Office of Foreign Assets Control of the United States Department of the Treasury, the European Union and international conventions***

Economic sanctions and restrictions on exports and other transfers of goods have been implemented by the United States and the European Union in relation to Iran. We are currently performing a contract relating to a petrochemical terminal located in the port of Bandar Imam Khomeni, the Islamic Republic of Iran in 2009. Our current operations in Iran are not material to our revenue, profit or financial condition, however, our operations in Iran could expose us to sanctions. Additionally, two of our non- Subsidiary Group Companies, Exir Chemical Terminal Iran and Falleh Shimy Pars, Iran are incorporated under the laws of the Islamic Republic of Iran.

None of the proceeds of the Issue will be used to fund activities that are subject to US or EU economic sanctions or export controls, including our operations in Iran. We seek to comply fully with international sanctions to the extent they are applicable to us. However, in doing so our ability to do business in these jurisdictions may be limited. Future changes in international sanctions may prevent us from doing business in certain jurisdictions entirely.

EXTERNAL RISKS

53. ***We are subject to various environmental considerations***

Our operations, particularly within our Terminalling Business, are inherently subject to accidental spills, discharges or releases of hazardous substances, such as crude oil and petroleum projects, that may make us liable to governmental entities or private parties. Accidental discharges from our terminals or other facilities, may occur in the future, future action may be taken in connection with past discharges, governmental agencies may assess damages or penalties against us in connection with any past or future contamination, or third parties may assert claims against us for damages allegedly arising out of any past or future contamination.

The industries in which we operate are regulated and monitored by various environmental regulatory authorities such as Pollution Control Boards in various states and we are subject to extensive laws and regulations pertaining to pollution and protection of the environment, health and safety such as the Environment (Protection) Act, 1986 and governing, among other things, emissions to the air such as the Air (Prevention and Control of Pollution) Act, 1981, discharges onto water such as the Water (Prevention and Control of Pollution) Act, 1974, the maintenance of safe conditions in the workplace, the remediation of contaminated sites and the generation, handling, storage, transportation, treatment and disposal of waste materials. India has a number of pollution control statutes which empower state regulatory authorities to establish and enforce effluent standards for factories discharging pollutants or effluents into water or air. In addition, there are various regulations in relation to factories using hazardous processes such as the Hazardous Waste Management Rules, 1989. In addition, the Ministry of Environment and Forests looks into environment impact assessment. As we increase our international operations, we will become increasingly subject to more international environmental regulatory regimes. For further information relating to environmental rules and regulations, see the section "Regulations and Policies" beginning on page 102 of this Draft Red Herring Prospectus.

Some of these laws and regulations may be subject to varying and conflicting interpretations. Many of these laws and regulations provide for substantial fines, shut downs and potential criminal sanctions for violations and require installation of costly pollution control equipment or operational changes to limit pollution omissions and/or reduce the likelihood or impact of hazardous substance releases, whether permitted or not. In some cases, compliance with environmental, health and safety laws and regulations might only be achievable by capital expenditures, such as the installation of pollution control equipment.

We cannot accurately predict future developments, such as increasingly strict environmental laws or regulations and inspection and enforcement policies resulting in higher compliance costs, which might affect the handling, manufacture, use, emission, disposal or remediation of our products and services, other materials or hazardous and non-hazardous waste. We cannot predict with certainty the extent of our future liabilities and costs under environmental, health and safety laws and regulations. These liabilities and costs may be material. In addition, new legislation, administrative regulations, or new judicial interpretations or administrative enforcement of existing laws and regulations, including proposals related to the protection of the environment that would further regulate and tax our businesses, may also require us to change operations significantly or incur increased costs. Such changes could have a material adverse effect on our financial condition and results of operations. See the section "Regulations and Policies" beginning on page 102 of this Draft Red Herring Prospectus.

In addition, we are involved in environmental litigation and cannot assure you of a favourable outcome. For example, a show cause notice dated November 3, 2008 had been issued by the Sub Divisional Magistrate, Marmugao, under Section 133 of the Code of Criminal Procedure, 1973 with reference to complaint filed by the Sarpanch, Village Panchayat Sancoale. In terms of the show cause notice, ZIOL has been directed to stop the underground seepage of oil, fuel and petroleum products and clear the water of the four wells and the nullah contaminated due to such seepage. The matter is currently pending. For further information relating to environmental litigation, see the section "Outstanding Litigation and Material Developments" beginning on page 310 of this Draft Red Herring Prospectus.

54. ***Fluctuations in exchange rates between the Rupee, US dollar, Japanese yen and other currencies may have a material adverse effect on our operating results***

Certain of our revenues and expenses are denominated in currencies other than the Rupee, primarily our revenues derived from the Newsco Asia business, which are generally denominated in US dollars, and our revenues derived from the our operation in Oman through , which are generally derived in US dollars. In addition, the Group incurs expenditure denominated in the currencies of the countries where it operates, including, for example, Oman, and makes procurement of equipment in other currencies, such as the US dollar. We do not hedge or foreign currency exchange risk exposure. Consequently, adverse fluctuations of exchange rates could have an adverse impact on our results of operation and financial condition from period to period. If we consummate our acquisition of Newsco Canada, our exposure to adverse fluctuations of interest rates will be increased, particular with respect to fluctuations between the US dollar and the Rupee.

55. ***We are subject to fluctuations in interest rates***

The Group's net profit is affected by changes in interest rates due to the impact such changes have on interest income from short-term deposits and other interest-bearing financial assets and liabilities and interest expense on the Group's long-and short-term borrowings. In addition, an increase in the interest rates for the Group's existing and future borrowings may adversely affect its ability to service long-term debt and to finance development of new projects, all of which in turn may adversely affect its results of operations, financial condition, planned capital expenditure and cash flows. In particular, substantially all of our outstanding indebtedness bears floating rates of interest. We do not hedge our interest rate exposure.

56. ***Failure to comply with extensive governmental regulations pertaining to employee safety and health may materially and adversely effect our business and results of operations***

We are required to comply with various central, state and foreign laws and regulations relating to, health and safety as well as laws and regulations governing our relationship with our employees in areas such as minimum wages, maximum working hours, overtime, working conditions, hiring and terminating employees, contract labour and work permits. Compliance with these requirements imposes significant costs on us and can result in reduced productivity. We may incur substantial costs to comply with requirements of such laws and regulations.

We enter into contracts with independent contractors to complete specified assignments and these contractors are required to provide labour necessary to complete such assignments. Although we do not engage such labour directly, it is possible under Indian law that we may be held responsible for wage payments to labour 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 absorb a portion of such contract labourers as our employees.

The success of our strategy to integrate and optimise our existing operations in various businesses is contingent upon, among other factors, receipt of all required consents, licences, permits and authorisations, including environmental, health and safety permits. Changes in laws or regulations in the countries in which we operate may result in us incurring significant costs in order to maintain compliance with such laws and regulations.

We must compensate employees for work-related injuries. If we do not make adequate provisions for the our workers' compensation liabilities, it could harm our future operating results. The erosion through tort liability of the protections we are currently accorded by workers' compensation laws could increase our liability for work-related injuries and materially and adversely affect our operating results. If new laws or regulations increase the number and award size of claims, it could materially and adversely harm our business. See the section "Regulations and Policies" beginning on page 102 of this Draft Red Herring Prospectus.

57. ***The continued growth of our business is dependent on private investment into India's oil and gas and infrastructure sectors***

The growth of our business is in part dependent on private investment in India's oil and gas and infrastructure sectors, which, in turn is dependent on Government policies that successfully facilitate and encourage private sector investment in infrastructure. Many of these programmes and policies are evolving and their success will depend on effective implementation of these programmes. Additionally, we believe that these programmes will need continued support from stable and experienced regulatory regimes that not only stimulate and encourage the continued movement of private capital into infrastructure development, but also result in appropriate allocation of risk, transparency, effective dispute resolution and more efficient services to the end user.

We believe that the availability of private sector capital and the continued growth of the infrastructure sector is also linked to continued growth of the Indian economy, income levels and the extent to which end users would be willing to pay or can be induced to pay for infrastructure services. If the central and state governments' initiatives and regulations in the infrastructure sector do not proceed in the desired direction or if there is a slow down in the Indian economy, this may have a material adverse effect on our business, prospects, financial condition and results of operations.

Risks Associated with India

58. ***Certain changes in the central and state Governments' economic liberalisation policies could have a material adverse effect on our business, prospects, financial condition and results of operations***

We are incorporated in India, deriving a substantial portion of our revenue from operations in India and have a majority of our assets located in India. Consequently, our performance and the trading price of the Equity Shares may be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.
In the recent years, India has been following a course of economic liberalisation and our business could be significantly influenced by economic policies adopted by the Government. Since 1991, successive Indian Governments have pursued policies of economic liberalisation and financial sector reforms.

The Government has at various times announced its general intention to continue India's current economic and financial liberalisation and deregulation policies. However, Government corruption and protests against privatisations, which have occurred in the past, could slow the pace of liberalisation and deregulation. The rate of economic liberalisation could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well.

India has a planned economy and the Government has traditionally exercised, and continues to exercise, influence over many aspects of the economy. Our business and the market price and liquidity of Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

Although the previous Government had announced policies and taken initiatives that supported the economic liberalisation policies pursued by earlier Governments, the rate of economic liberalisation could change, and specific laws and policies affecting foreign investment and other matters affecting investment in our securities could change as well. Whilst we expect the new Government to continue the liberalisation of India's economic and financial sectors and deregulation policies, there can be no assurance that such policies will be continued.

A change in the Government's policies, including taxation in the future could adversely affect business and economic conditions in India and could also adversely affect our business, prospects, financial condition and results of operations. A significant change in India's economic liberalisation and deregulation policies could disrupt business and economic conditions in India generally, and specifically for us, as a substantial portion of our assets are located in India.

59. ***A reduction in rate of economic growth in India may have a material adverse effect on our business, prospects, financial condition and results of operations***

A substantial portion of our business is located in India and a significant part of our revenues is derived from the domestic market. The performance and the quality of growth of our business is necessarily dependent on the overall health of the Indian economy. India's economy could be adversely affected by:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- adverse conditions affecting agriculture;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- variations in exchange rates;
- volatility in the prices of oil, gas and other energy sources;
- downgrade of India's debt rating by international rating agencies;
- changes in India's tax, trade, fiscal or monetary policies including policies governing foreign currency- denominated capital raising;

- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- changes in India's liberalisation and deregulation policies;
- natural disasters in India or in countries in the region or globally, including in India's neighbouring countries;
- prevailing regional or global economic conditions, including in India's principal export markets; and
- other significant regulatory or economic developments in or affecting India or the sectors in which we operate.

The Indian economy and financial markets are also significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America, Europe or China, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

The recent global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States, led to a loss of investor confidence in worldwide financial markets. Indian financial markets also experienced the effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index.

The rate of economic liberalisation and deregulation could change and specific laws and policies affecting our business, our raw materials suppliers, foreign investment, currency exchange rates and other matters affecting our business are also subject to change, with possible adverse consequences on business and economic conditions in India generally, and our business, prospects, financial condition and results of operations in particular.

60. ***Investors may have difficulty enforcing foreign judgements against us or our management***

We are incorporated under the laws of India. A majority of our Directors named herein are residents of India and a substantial portion of our assets are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside India, or to enforce in Indian courts, judgements obtained in courts of jurisdictions outside India against such parties.

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 were 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.

61. ***If there is a change in tax regulations, our tax liabilities may increase and thus adversely affect our financial results***

Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, value-added tax, income tax, service tax and other taxes, duties, surcharges and cess introduced from time to time. The central and state tax scheme in India is extensive and subject to change from time to time (such as the recently announced increase in the rate of minimum alternate tax). Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability. There can be no assurance that these tax incentives will continue to be available to us in the future. The non-availability of these tax incentives may have a material adverse effect on our business, prospects, financial condition and results of operations.

62. ***Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions***

Our Articles of Association, regulations of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, Directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder than as a shareholder of a company in another jurisdiction.

63. ***A third party could be prevented from acquiring control of us because of anti-takeover provisions under Indian law***

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of us. Under the takeover regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of us. Consequently, even if a potential takeover of us would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of Indian takeover regulations.

64. ***Significant differences exist between Indian GAAP and US GAAP and IFRS, which may be material to investors' assessments of our financial condition***

The financial statements, including the financial statements provided in this Draft Red Herring Prospectus are prepared in accordance with Indian GAAP which differs in certain respects from IFRS and US GAAP and other accounting principles and auditing standards with which prospective investors may be familiar with in other countries. As a result, our standalone and consolidated financial statements and reported earnings could be different from those which would be reported under IFRS or US GAAP. Such differences may be material. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus, nor provide a reconciliation of our financial statements to those of US GAAP or IFRS. Each of US GAAP and IFRS differs in significant respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Had the financial statements and other financial information been prepared in accordance with IFRS or US GAAP, the results of operations and financial position may have been materially different. Because differences exist between Indian GAAP and IFRS or US GAAP, our financial information contained in this Draft Red Herring Prospectus may not be an effective means to compare us with other companies that prepare their financial information in accordance with IFRS or US GAAP. Any reliance by investors not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. In making an investment decision, investors must rely upon their own examination of us, the terms of the Issue and the financial information relating to us. Potential investors should consult their own professional advisers for an understanding of these differences between Indian GAAP and IFRS or US GAAP, and how such differences might affect the financial information contained herein.

For more information on the differences between Indian GAAP, US GAAP and IFRS, see the section "Summary of Significant Differences between Indian GAAP, US GAAP and IFRS" beginning on page 261 in this Draft Red Herring Prospectus.

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 2014 could have a material adverse effect on the price of the Equity Shares.

65. ***Terrorist attacks and other acts of violence or war involving India and other countries could adversely affect the financial markets, result in a loss of business confidence and reduced investment in these countries that could have a material adverse effect on our business, prospects, financial condition and results of operations***

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets in which the 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.

Certain events that are beyond our control, such as terrorist attacks and other acts of violence or war, including those involving India, China, the United Kingdom, the United States or other countries, may adversely affect worldwide financial markets, which could adversely affect our business, prospects, financial condition and results of operations, and more generally, any of these events could lower confidence in India's economy. South Asia has, from time to time, experienced instances of civil unrest and political tensions and hostilities among neighbouring countries. For example, on July 11, 2006, bombs exploded on commuter trains in Mumbai, India during the evening commute, killing and injuring hundreds of people, and, on November 25, 2008, terrorist attacks began in Mumbai and lasted until November 29, 2008. Such attacks may have a material adverse effect on the Indian and global financial markets. Any deterioration in relations between India and its neighbouring countries may result in actual or perceived regional instability. Events of this nature in the future could have a material adverse effect on our ability to develop our operations. As a result, our business, prospects, financial condition and results of operations could be materially adversely affected by any such events.

66. ***Natural calamities could have a negative impact on the Indian economy and our business***

India has experienced natural calamities such as earthquakes, tsunami, floods and droughts in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. For example the erratic progress of the monsoon in 2004 and 2009 affected sowing operations for certain crops. Such unforeseen circumstances of below normal rainfall and other natural calamities, could have a negative impact on the Indian economy, especially on the rural areas, which could adversely affect our business, prospects, financial condition and results of operations.

67. ***An outbreak of an infectious disease or any other serious public health concerns in Asia or elsewhere could have a material adverse effect on our business, prospects, financial condition and results of operations***

The outbreak of an infectious disease in Asia or elsewhere or any other serious public health concern such as swine influenza around the world could have a negative impact on economies, financial markets and business activities worldwide, which could have a material adverse effect on our business, prospects, financial condition and results of operations. Although, we have not been adversely affected by such outbreaks, we can give no assurance that a future outbreak of an infectious disease among humans or animals or any other serious public health concern will not have a material adverse effect on our business, prospects, financial condition and results of operations.

68. ***Recent global economic conditions have been unprecedented and challenging and have had, and continue to have, an adverse effect on the Indian financial markets and the Indian economy in general,***

which has had, and may continue to have, a material adverse effect on our business, prospects, financial condition and results of operations

Recent global market and economic conditions have been unprecedented and challenging with tighter credit conditions and recession in most major economies continuing into 2010. Continued concerns about the systemic impact of potential long-term and wide-spread recession, energy costs, geopolitical issues, the availability and cost of credit, and the global housing and mortgage markets have contributed to increased market volatility and diminished expectations for western and emerging economies. In the second half of 2008, added concerns fuelled by the United States government conservatorship of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association, the declared bankruptcy of Lehman Brothers Holdings Inc., the United States government financial assistance to American International Group Inc., Citigroup Inc., Bank of America and other federal government interventions in the United States financial system led to increased market uncertainty and instability in both United States and international capital and credit markets. These conditions, combined with volatile oil prices, declining business and consumer confidence and increased unemployment, have contributed to volatility of unprecedented levels.

As a result of these market conditions, the cost and availability of credit has been and may continue to be adversely affected by illiquid credit markets and wider credit spreads. Concern about the stability of the markets generally and the strength of counterparties specifically has led many lenders and institutional investors to reduce, and in some cases, cease to provide credit to businesses and consumers. These factors have led to a decrease in spending by businesses and consumers alike and corresponding decreases in global infrastructure spending and commodity prices. Continued turbulence in the United States and international markets and economies and prolonged declines in business consumer spending may adversely affect our liquidity and financial condition, and the liquidity and financial condition of our customers, including our ability to refinance maturing liabilities and access the capital markets to meet liquidity needs. These global market and economic conditions have had, and continue to have, an adverse effect on the Indian financial markets and the Indian economy in general, which may continue have a material adverse effect on our business, prospects, financial condition and results of operations.

Risk Factors relating to Investment in the Equity Shares

69. ***There is no assurance that the Equity Shares will be listed on the Indian Stock Exchanges in a timely manner or at all, and any trading closures at the Indian Stock Exchanges may adversely affect the trading price of the Equity Shares***

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares pursuant to this Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all other relevant documents authorising the issue of the Equity Shares are submitted to the Stock Exchanges. There could be a failure or a delay in listing the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the United States. The Indian Stock Exchanges have in the past experienced problems, including temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on the Indian Stock Exchanges could adversely affect the trading price of the Equity Shares.

70. ***There may be no active market for the Equity Shares, which may cause the price of the Equity Shares to fall***

The Equity Shares are being listed for the first time and have not been publicly traded earlier. No assurance can be given as to the liquidity or sustainability of the trading market for the Equity Shares or the ability of shareholders to sell their Equity Shares. If a market for the Equity Shares fails to be sustained, the trading price of the Equity Shares could fall. In addition, it is possible that the Equity Shares could trade at prices that may be lower than the Issue Price. The Book Running Lead Managers have no obligation to make a market for the Equity Shares. The market for debt and equity securities in emerging markets has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Equity Shares. There can be no assurance that the markets for the Equity Shares, if any, will not be subject to similar disruptions. Any disruptions in these markets may have an adverse effect on the trading price of the Equity Shares.

71. ***The trading price of the Equity Shares may be highly volatile and fluctuate significantly***

The price of the Equity Shares may experience significant fluctuation on the Indian Stock Exchanges. In recent years, price and volume fluctuations on the Indian Stock Exchanges have been significant and such fluctuations have often been unrelated or disproportionate to the operating performance of companies whose securities are traded on the Indian Stock Exchanges.
The trading price of the Equity Shares could also be subject to significant volatility in response to, among other factors:

- renewables energy industries and the perception in the market about investments in the industries in which we operate;
- delays in the schedule for the development projects and any resultant cost and time overruns caused by such delays;
- supply and demand of engineering and construction projects, manufacturing, technology and financial services in India and in the international markets generally;
- our inability to successfully implement our strategy, growth and expansion plans;
- changes in laws and regulations, or any interpretation thereof, that apply to our business;
- changes in the value of the Rupee against major global currencies and other currency changes;
- changes in the Indian and international interest rates;
- any adverse outcome in the legal or regulatory proceedings in which we are involved;
- changes in any global conditions and situations affecting India and the industries in which we operate; and
- changes in political and economic conditions in India.

There can be no assurance that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

72. ***There are restrictions on daily movements in the price of the equity shares, which may adversely affect your ability to sell, or the price at which you can sell, equity shares at a particular point in time***

The price of the Equity Shares may be subject to a daily circuit breaker imposed by all the Indian Stock Exchanges which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian Stock Exchanges. The percentage limit on the circuit breaker is set by the Indian Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Indian Stock Exchanges may change such limits without our knowledge. This circuit breaker effectively limits 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 at a particular point in time.

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

We have not paid any dividends for the years ended March 31, 2008, 2009 and 2010. The amount of dividend payments by us in future, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, terms and conditions of our indebtedness and capital expenditures. There can be no assurance that we will be able to pay dividends. Additionally, we may be restricted by the terms of any future debt financing to make dividend payments only after a certain time period as will be agreed with the lenders.

74. ***Any further issue of Equity Shares (including shares allotted under ESOP 2007), offering of equity linked instruments or significant sales of Equity Shares by our major shareholders may dilute your shareholding and/or affect the trading price of the Equity Shares***

Any future equity offerings by us may lead to the dilution of your shareholding or affect the trading price of the Equity Shares and could affect our ability to raise capital through an offering of our securities. We may also undertake equity linked offerings in the future and any conversion of such equity linked instruments into our equity shares may result in a dilution of your shareholding. Further, any sale of a large number of equity shares by our major shareholders could adversely affect the prevailing trading price of the Equity Shares. In addition, any perception by investors that such issuances might occur could also affect the market price of the Equity Shares. No assurance can be given that we will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber this Equity Shares in the future.

75. ***You may be subject to Indian taxes arising out of capital gains on sale of Equity Shares***

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India.

Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax (**"STT"**) has been paid on the transaction.

STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realised on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of Equity Shares. In addition changes in the terms of tax treaties or in their interpretations, as a result of renegotiations or otherwise, may affect the tax treatment of capital gains arising from a sale of Equity Shares. See the section "Statement of Tax Benefits" beginning on page 49 of this Draft Red Herring Prospectus.

76. ***You may be restricted in your ability to exercise pre-emptive rights under Indian law and may be adversely affected by future dilution of your ownership position***

Under the Companies Act, a company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing percentage ownership before the issuance of any new equity shares, unless their pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the shares which are voted on the resolution or if Government approval has been obtained. However, if the law of the jurisdiction you are in does not permit you to exercise your pre-emptive rights without our filing an offering document or complying with any other requirements prescribed by the applicable regulatory authority, you will be unable to exercise your pre-emptive rights unless we make such a filing or complies with any such additional requirements. If we elect not to make such a filing or not to comply with any such requirements, the new securities may be issued to a custodian, who may sell the securities on your behalf. The value such custodian would receive upon the sale of such securities, if any, and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by you, your proportional interest in us would be diluted.

77. ***You will not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Issue***

The Equity Shares will be listed on the Stock Exchanges. 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 three Working Days of the date on which the Basis of Allotment is approved by the Designated Stock Exchange. Thereafter, upon receipt of final approval from the Designated Stock Exchange, trading in the Equity Shares is expected to commence within four Working Days of the date on which the Basis of Allotment is approved by the Designated Stock Exchange. We cannot assure 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.

78. ***Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares***

Under the foreign exchange regulations currently in force in India, transfer of equity shares between non-residents and residents are freely permitted subject to compliance with the pricing guidelines and reporting requirements specified by the RBI. If the equity shares sought to be transferred are not in compliance with such pricing guidelines and reporting requirements then the prior approval of the RBI shall be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of Equity Shares in India into foreign currency and repatriate that foreign currency from India will have to comply with the guidelines issued in this regard. Further, prior to such repatriation (of sale proceeds), a no objection/tax clearance certificate from the income tax authority would be required. We cannot assure investors that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

Notes to Risk Factors

1. The Company was incorporated as Indian Oiltanking Limited a public limited company on August 28, 1996 under the Companies Act. The Company received a certificate of commencement of business on October 14, 1996. The name of the Company was changed to IOT Infrastructure & Energy Services Limited to reflect its diversified portfolio and a fresh certificate of incorporation dated December 1, 2008 was issued by the RoC. For details, see "History and Certain Corporate Matters" beginning on page 108 of this Draft Red Herring Prospectus.

2. Public Issue of 72,746,622 Equity Shares for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) aggregating to Rs. [●] million.

3. The net worth of the Company on a consolidated basis was Rs. 5,736.27 million as of March 31, 2010.

4. The average cost of acquisition of the Equity Shares by the Promoters is as follows:

   a. Indian Oil: Rs. 13.41 per Equity Share

   b. Oiltanking India: Rs. 11.99 per Equity Share

5. The net asset value per Equity Share was Rs. 24.68 as at March 31, 2010 as per the Company's consolidated financial statements, as restated.

6. For details of the Group Companies having business interests or other interests in the Company, see "Related Party Transactions" on page 185 of this Draft Red Herring Prospectus.

7. 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, see the section "Related Party Transaction" beginning on page 185 of this Draft Red Herring Prospectus.

8. 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 for any complaints, information or clarification pertaining to the Issue.

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

SUMMARY OF INDUSTRY

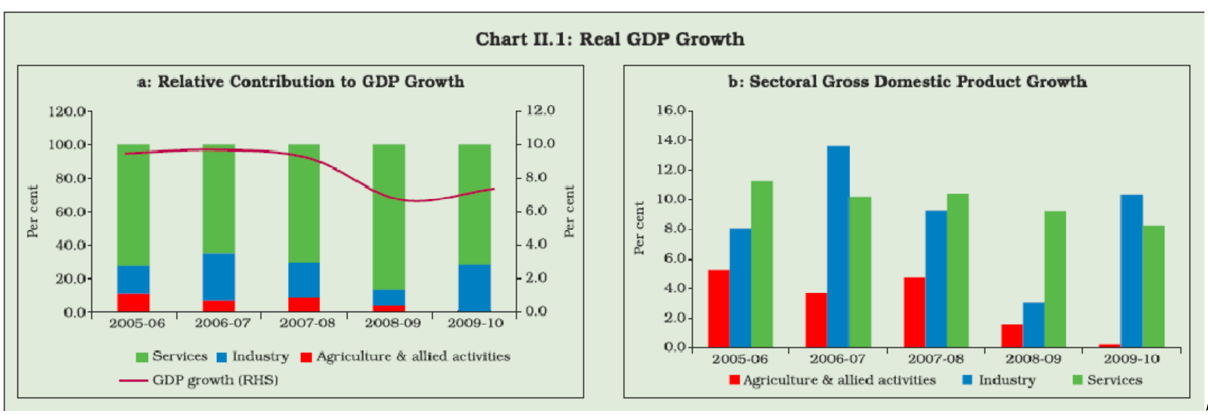
Unless otherwise indicated, the information in this section is derived from a combination of various publicly available materials and sources of information, including the CRISIL Limited ("CRISIL"), the Ministry of Power, the Ministry of Petroleum and Natural Gas, the Ministry of Railways, the Planning Commission of India, Reserve Bank of India ("RBI"), International Energy Outlook, July 2009, MNRE and the Central Electricity Authority ("CEA"). It has not been independently verified by the Company and Book Running Lead Managers or their respective affiliates, their legal or financial advisors, and no representation is made as to the accuracy of this information, which may be inconsistent with information available or compiled from other sources. Certain financial and other numerical amounts specified in this section have been subject to rounding adjustments; figures shown as totals may not be the arithmetic aggregation of the figures which precede them. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness, underlying assumptions and reliability cannot be assured. Accordingly, investment decisions should not be based on such information. Industry sources and publications are also prepared based on information as on specific dates and may no longer be current.

CRISIL Research, a division of CRISIL has used due care and caution in preparing the report that was used as a basis for the preparation of this section. Information has been obtained by CRISIL from sources which it considers reliable. However, CRISIL 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. No part of CRISIL's report used as a basis for the information in this section may be published/reproduced in any form without CRISIL's prior written approval. CRISIL is not liable for investment decisions which may be based on the views expressed in the said report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Rating Division, which may, in its regular operations, obtain information of a confidential nature that is not available to CRISIL Research.

Overview of the Indian Economy

The Indian economy exhibited broad based recovery in the second half of 2009-2010 from the slowdown that had started in the second half of 2008-2009. Despite deficient monsoon and the fragile global recovery, real GDP growth showed a turnaround from 6.7% in 2008-2009 to 7.4% in 2009-2010, one of the highest in the world. In relation to the pre-global crisis high growth phase of 8.9% recorded during 2003-2008, however, it suggests there is scope for further acceleration.

A strong recovery in the industrial sector combined with a resilient services sector muted the impact of a deficient South-West monsoon on overall output. The contribution of the industrial sector to the overall growth increased sharply from 9.5% in 2008-2009 to 28.0% in 2009-2010. (***Source: RBI, 2009-2010 Annual Report***)



Source: RBI

India's ability to recover from the global slowdown and its own domestic liquidity crunch has been driven by the country's large domestic savings including corporate retained earnings and private consumption. Further, the Government's fiscal policies and the monetary policies of the RBI have also played an important role in the revival of economic growth. In particular, the Government as part of its fiscal stimulus package took the following initiatives to promote consumption in the economy:

- increased Government expenditure especially on infrastructure; and
- reduced taxes to spur consumption.

Investment in India remained relatively stable despite the global slowdown and has been growing at a rate higher than that of GDP. There has been an upward trend in the growth of private investment. The recovery was broad based with mining and quarrying, manufacturing, and electricity, gas and water supply recording impressive growth rates. (***Source: Ministry of Finance***)

Given the outlook for the global economy at present and the expected accrual of benefits from the various monetary and fiscal stimulus packages of the Government, RBI expects the Indian economy to grow at 8.75% in 2010-2011 while IMF predicts the Indian economy to expand by 9.4% in 2010 and 8.4% in 2011. This growth would be aided by the increased availability of finance in the form of foreign capital inflows following reduced risk averseness across the globe.

Overview of the Oil and Gas Industry

Global Oil and Gas Industry

Between 1998 and 2008, world crude oil output registered a CAGR of 1.0%, from 73.6 Million bpd to 81.8 Million bpd. However, production fell in North America at a CAGR of 1.99%, from 14.2 Million bpd in 1998 to 13.1 Million bpd. In 2008, world crude oil production rose due to an increase in production by Africa which witnessed an increase of 3.0% over the previous year.

Between 1998 and 2008, global crude oil consumption increased at a CAGR of 1.0%, from 73.9 Million bpd in 1998 to 84.5 Million bpd in 2008. Crude oil consumption largely depends on the level of economic activity. Between 1998 and 2008, consumption increased across all regions, but most strongly in Asia-Pacific, Africa and the Middle East. Asia-Pacific achieved a growth rate of 3.0% in crude oil consumption because the economies in this region grew at a rate higher than that of the rest of the world.

Long-term projects, mainly in the setting up of new refinery capacities and investments in petrochemicals, are expected to keep consumption of crude oil strong. However, in developed economies of North America Europe and Eurasia, consumption appears to have stagnated, and may even be contracting.

North America, the world's largest crude oil consuming region, accounted for about 28.1% of world crude oil consumption in 2008, with the United States accounting for 22.5% Asia-Pacific, Europe and Africa accounted for 30.0%, 23.9% and 3.4% of world crude oil consumption, respectively. In Asia-Pacific, China is the largest consumer. The share of China in world crude oil consumption increased from 5.7% in 1998 to 9.6% in 2008. It is closely followed by Japan, whose share in the total consumption has declined significantly from around 7.5% in 1998 to 5.6% in 2008 on account of the slowdown in the Japanese economy. (***Source: CRISIL Research***)

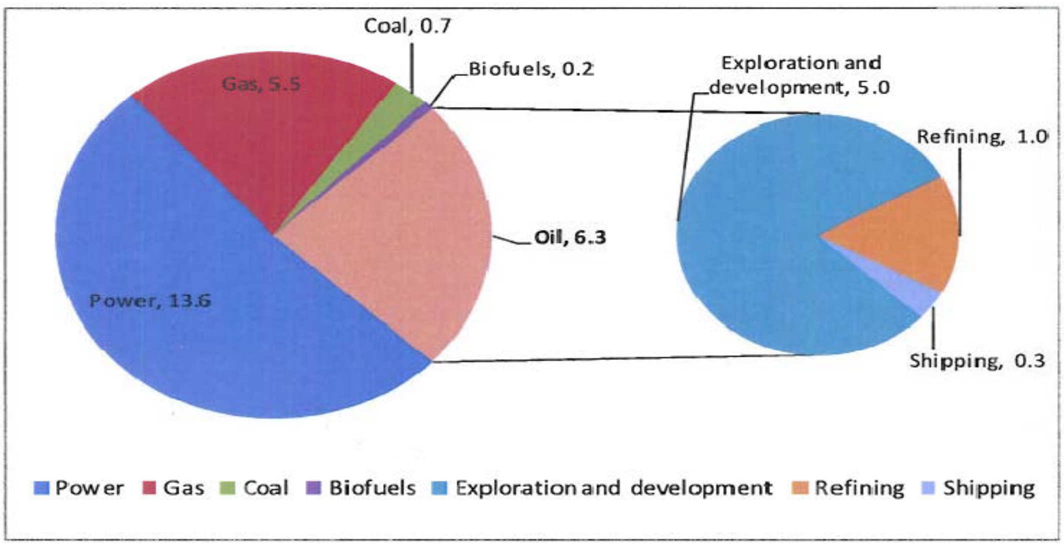
Average oil prices increased strongly from 2003 to mid-July 2008, when prices collapsed as a result of concerns about the deepening recession. In 2009, oil prices trended upward throughout the year, from about US$42 per barrel in January to US$74 per barrel in December 2009. Oil prices have been especially sensitive to demand expectations, with producers, consumers, and traders continually looking for an indication of possible recovery in world economic growth and a likely corresponding increase in oil demand. On the supply side, OPEC's above average compliance to the agreed upon production targets increased its spare capacity to approximately five Million barrels per day in 2009. Further, many of the non-OPEC projects that were delayed during the price slump in the second half of 2008 have not yet been revived. (***Source: International Energy Outlook, July 2010 ("IEA 2010")***).

According to the IEA 2010, demand for liquid fuels and other petroleum products which include petroleum-derived fuels and non-petroleum-derived fuels, such as ethanol and biodiesel, coal-to-liquids, gas-to-liquids, natural gas liquids, crude oil consumed as fuel, and liquid hydrogen is projected to increase from 86.1 Million barrels per day ("bbl/d") in 2007 to 110.6 Million bbl/d in 2035, a growth of 28.46%. Liquids are expected to remain the world's dominant energy source between 2007 and 2035, given their importance in the transportation and industrial end-use sectors.

Natural gas, accounting for 24.0% of the total global primary energy supply, is the third largest contributor to the global energy basket. The consumption is expected to increase from 108 trillion cubic feet in 2007 to 156 trillion cubic feet, a growth of 44.44%. World natural gas trade, both by pipeline and by shipment in the form of liquefied natural gas (**"LNG"**), is poised to increase in the future. Most of the projected increase in LNG supply comes from the Middle East and Australia, where a number of new liquefaction projects are expected to become operational within the next decade. The world liquefaction capacity is expected to increase 2.4-fold, from about 8 trillion cubic feet in 2007 to 19 trillion cubic feet in 2035. In addition, new pipelines currently under construction or planned will increase natural gas exports from Africa to European markets and from Eurasia to China. (***Source: International Energy Outlook, July 2010***)

Global investment in energy industry

Global cumulative investment in energy-supply infrastructure in US$ trillion (2007-2030)



Note: Total investment = US$26.3 trillion (in year-2007 dollars)
Source: World Energy Outlook, 2008

The International Energy Agency estimates that more than US$26.3 trillion in year 2007 dollars needs to be invested in energy-supply infrastructure worldwide over the three decades to 2030.

For the energy sector as a whole, 51.7% of investment approximating US$13.6 trillion in production is estimated to be made to replace existing and future capacity. Oil and gas sector investments total US$11.8 trillion. Almost half of total energy investment is estimated to take place in developing countries, where production and demand are expected to increase most.

Huge inflows of capital are needed to expand supply capacity to meet rising demand, as well as to replace existing and future supply facilities that will be retired during the projection period. Just over half of projected global energy investment is focussed towards maintaining the current level of supply capacity: much of the world's current production capacity for oil, gas, coal and electricity will need to be replaced by 2030. In addition, some of the new production capacity brought on stream in the early years of the projection period will need to be replaced before 2030. Many power plants, electricity and gas transmission and distribution facilities, and oil refineries will also need to be replaced or refurbished. (***Source: CRISIL Research***)

SUMMARY OF BUSINESS

Overview

We are a joint venture between Indian Oil, India's largest petroleum refining and marketing company by sales and the highest ranking Indian company in the Global Fortune 500, and Oiltanking of Germany, one of the world's leading independent storage company for oil, chemicals and gases. We operate a diverse portfolio of businesses, comprised of our EPC Business, our Terminalling Business and our Upstream Services Business and have taken steps to enter into the Renewable Energy Business. We offer an array of our services to the oil and gas industry.

Our business originally consisted of independent tank terminalling services for crude oil and petroleum products. We leveraged on our experience in project management for the construction of terminals to enter into the EPC business in 1998, initially through projects relating to tank farms. We have expanded our EPC Business both organically and through our acquisitions of IOT Anwesha (formerly known as Anwesha Comtech Engineering Private Limited), a specialist tank construction company, and Stewarts and Lloyds, a specialist piping construction company. To further leverage our expertise and customer base in the Indian oil and gas industry, we entered into the Upstream Services Business in 2008 through our acquisition of Newsco Asia, one of the leading providers of directional drilling services in India in which we currently hold a 75.0% equity interest, and have organically expanded our Upstream Services Business to become a seismic service provider.

Our EPC Business provides integrated engineering, procurement and construction services primarily to the oil and gas sector, as well as the power, infrastructure, steel, cement and food and beverage sectors. We believe we have developed core competencies in project management, design optimisation and large-scale procurement and we seek to capture a significant portion of the EPC value chain through our execution expertise in construction services. We operate our EPC Business primarily in India and Oman. We have also established offices in Indonesia and Dubai. The customers of our EPC Business include Indian Oil, Oiltanking Odfjell Terminals & Co. LLC, OIL, ONGC, Doosan, Anrak Aluminium Limited and HPCL.

Our portfolio of completed EPC projects include petroleum product storage projects providing over three million kiloliters of storage, 243 kilometres of cross-country petroleum product pipelines, utilities and offsites for refineries, aviation fuel handling systems, LPG storage and bottling facilities, heavy erection work in the petrochemical and cement industries, as well as crude oil treatment facilities. Our completed projects include 13 large projects, each generating revenues in excess of Rs. 250.00 million, since April 1, 2005. In the aggregate, these large projects have generated aggregate revenues of Rs. 25,555.80 million, which constituted 56.0% of our EPC Business's revenue over this period. Two of our largest completed projects, the storage tanks and terminal facilities at Sohar Industrial Port, Oman for Oiltanking Odfjell Terminal Company and the offsite and storage facilities for the Naphtha Cracker at Panipat for Indian Oil were completed in June 2009 and March 2010, respectively generating revenue of Rs. 5,958.45 million and Rs. 12,832.40 million, respectively. As of June 30, 2010, our EPC Order Book, which represents the estimated contract value of the unexecuted portion of our existing EPC contracts, including contracts for internal development projects that do not directly generate external revenues, was Rs. 28,588.39 million. Our EPC Order Book includes the Paradip Refinery Storage Terminal, a 1,410,435 kiloliter crude and petroleum products tankage facility for Indian Oil's 15 MMTPA oil refinery at Paradip that we are constructing on a BOOT basis. The Paradip Refinery Storage Terminal is our largest EPC project to date, which we were awarded on the basis of an internationally competitive bid. Our EPC Order Book has grown from Rs. 3,001.09 million as of March 31, 2006 to Rs. 29,160.27 million as of March 31, 2010, which represents a CAGR of 76.6%.

For the years ended March 31, 2006, 2007, 2008, 2009 and 2010, our EPC Business generated revenue of Rs. 2,898.21 million, Rs. 4,504.79 million, Rs. 10,240.65 million, Rs. 14,518.63 million and Rs. 13,552.23 million, respectively, which constituted 83.3%, 88.5%, 93.2%, 92.0% and 89.0% of our total consolidated revenue, respectively. For the year ended March 31, 2006 to the year ended March 31, 2010, revenues from our EPC Business grew at a CAGR of 47.1% and EBIT for our EPC Business grew at a CAGR of 62.4%.

We began operating our first terminal in 1998 and are one of the leading independent terminalling companies in India. Our Terminalling Business provides independent tank terminalling services for the receipt, storage, despatch and handling of crude oil and petroleum products. We are also engaged in bottling of LPG and dewatering of crude oil and provide into-plane services at a private sector international airport in south India and the New Delhi

International Airport. The customers of our Terminalling Business include major oil companies in India such as Indian Oil, ONGC, OIL, Essar and Shell MRPL Aviation Fuel and Services Private Limited.

Our ability to offer our customers a variety of ownership and operational business models such as BOOT, BOO, BO and O&M by combining our competencies in terminal operation and EPC services has enabled us to grow our operations to 16 terminals with 1.10 million kiloliters of storage capacity. We currently own and operate three of these terminals on an open access basis. We also expect to begin operating and maintaining the Paradip Refinery Storage Terminal by January 2012.

For the years ended March 31, 2006, 2007, 2008, 2009 and 2010, our Terminalling Business generated revenue of Rs. 581.77 million, Rs. 583.34 million, Rs. 651.31 million, Rs. 1,070.58 million and Rs. 1,218.00 million, respectively, which constituted 16.7%, 11.5% 6.0%, 6.8% and 8.0% of our total consolidated revenue, respectively. For the years ended March 31, 2006 to March 31, 2010, our revenues from the Terminalling Business grew at a CAGR of 20.3% and EBIT for our Terminalling Business grew at a CAGR of 13.2%.

Our Upstream Services Business provides integrated directional drilling services and seismic services. We acquired Newsco Asia in August 2008 to exploit the opportunities presented by increased use of directional drilling by the Indian national oil and gas companies with which we have relationships through our EPC Business and Terminalling Business.
Through our acquisition of Newsco Asia, we have access to directional and horizontal drilling technology, as well as research and development and a strong presence in directional drilling services in India. We subsequently entered into the seismic services business and are undertaking our first contract for providing seismic services in difficult terrain at Karbi Anglong, Assam for OIL. For the years ended March 31, 2009 and 2010, our Upstream Services Business generated revenue of Rs. 185.13 million and Rs. 448.70 million, respectively, which constituted 1.2% and 2.8% of our total consolidated revenue, respectively. The EBIT for our Upstream Services Business amounted to Rs. 123.91 million and Rs. 85.00 million for the years ended March 31, 2009 and 2010, respectively.

To commence our Renewable Energy Business, we have formed a joint venture with Mabagas, which has expertise in biogas plants, in order to identify, develop, build, own and operate biogas and biogas-based power plants in India.

We are a professionally managed organisation, with over 2,500 employees as of March 31, 2010. We believe we operate world class HSSE systems, processes and practices and view the safe operation of our businesses as critical to our success. In particular, we seek to follow the international standards of Oiltanking in our Terminalling Business and the OSHA and OISD192 guidelines and practices in our EPC Business. For the year ended March 31, 2006 to the year ended March 31, 2010, we achieved 78 million man-hours without a reported incident and provided approximately one million man-hours of professional HSSE training. Our construction sites for the intermediate crude oil storage terminal and pumping facilities for Viramgam Terminal for the Barmer Salaya Pipeline Project at Viramgam for a British oil and gas company, the civil, structural and underground piping works for Offsite 2 for the Panipat Refinery Expansion Project for Indian Oil and the design, fabrication and erection of crude oil storage tanks at Paradip for Indian Oil have been certified OHSAS 18001:2007. Two of our owned terminals, the ZIOL terminal in Goa and the CPCL LPG Bottling Plant in Chennai operate under ISO 9001:2008 and 14001:2004.

For the years ended March 31, 2006, 2007, 2008, 2009 and 2010, our total consolidated revenue was Rs. 3,479.98 million, Rs. 5,088.13 million, Rs. 10,891.96 million, Rs. 15,774.34 million and Rs. 15,218.93 million, respectively, which constituted a CAGR of 44.6% over the five year period. For the years ended March 31, 2006, 2007, 2008, 2009 and 2010, our EBIT was Rs. 466.72 million, Rs. 514.04 million, Rs. 992.29 million, Rs. 2,196.34 million and Rs. 2,344.48 million, respectively, which constituted a CAGR of 49.7%.

For the years ended March 31, 2006, 2007, 2008, 2009 and 2010, the total consolidated revenue of our construction and engineering segment, which primarily includes our EPC Business and our Upstream Services Business was Rs. 2,898.21 million, Rs. 4,504.79 million, Rs. 10,240.65 million, Rs. 14,703.76 million and Rs. 14,000.93 million, which constituted a CAGR of 48.3%. For the years ended March 31, 2006, 2007, 2008, 2009 and 2010, the EBIT of our construction and engineering segment was Rs. 261.53 million, Rs. 334.22 million, Rs. 391.65 million, Rs. 2006.57 million and Rs. 1,903.87 million, respectively, which constituted a CAGR of 64.3%.

For the years ended March 31, 2006, 2007, 2008, 2009 and 2010, the total consolidated revenue of our terminalling segment was Rs. 581.77 million, Rs. 583.34 million, Rs. 651.31 million, Rs. 1,070.58 million and Rs. 1,218.00 million, which constituted a CAGR of 20.3%. For the years ended March 31, 2006, 2007, 2008, 2009 and 2010, the earnings before interest and tax of our terminalling segment was Rs. 255.65 million, Rs. 241.88 million, Rs. 262.42 million, Rs. 407.42 million and Rs. 420.23 million, respectively, which constituted a CAGR of 13.2%.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Company's restated unconsolidated and consolidated financial statements as of and for the years ended March 31, 2006, 2007, 2008, 2009 and 2010. These financial statements have been prepared in accordance with the Indian GAAP, the Companies Act and the SEBI Regulations and presented under the section "Financial Statements" beginning on page 187 of this Draft Red Herring Prospectus. The summary financial information presented below should be read in conjunction with the Company's restated unconsolidated and consolidated financial statements, the notes thereto and the sections "Management's Discussion and Analysis of Financial Conditions and Results of Operations" and "Financial Statements" beginning on pages 270 and 187, respectively of this Draft Red Herring Prospectus.

STANDALONE RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Million)

	Particulars	As at March 31,				
		2010	**2009**	**2008**	**2007**	**2006**
A	**Fixed Assets**					
	Gross Block (at cost)	4,588.66	4,371.51	3,832.62	3,515.46	3,347.92
	Less: Depreciation	1,641.99	1,419.23	1,209.02	1,030.03	860.27
	Net Block	**2,946.67**	**2,952.28**	**2,623.60**	**2,485.43**	**2,487.65**
	Capital Work in Progress (including capital advance payments)	274.58	242.70	115.76	51.61	3.48
	Total Fixed Assets	**3,221.25**	**3,194.98**	**2,739.36**	**2,537.04**	**2,491.13**
	Assets held for disposal	**-**	**-**	**-**	**15.14**	**10.00**
B	**Investments**	**1,464.39**	**1,434.45**	**508.78**	**769.93**	**141.98**
C	**Current Assets, Loans and Advances**					
	Inventories	89.86	47.73	8.63	21.14	15.58
	Sundry Debtors	936.02	1,005.12	884.59	1,193.10	531.11
	Cash & Bank balances	10.88	19.57	31.70	305.29	37.81
	Loans and advances	477.48	720.56	924.03	183.49	126.99
	Other Current Assets	7,312.50	5,637.84	4,109.28	739.47	592.32
	Total	**8,826.74**	**7,430.82**	**5,958.23**	**2,442.49**	**1,303.81**
	Total Assets (A+B+C)	**13,512.38**	**12,060.25**	**9,206.37**	**5,764.60**	**3,946.92**
D	**Liabilities & Provisions**					
	Loan Funds					
	Secured Loans	3,079.71	3,104.07	1,711.23	1,323.34	1,361.56
	Unsecured Loans	917.03	958.11	157.03	-	60.00
		3,996.74	**4,062.18**	**1,868.26**	**1,323.34**	**1,421.56**
	Deferred Tax Liability	**371.00**	**374.23**	**387.49**	**399.88**	**361.61**
	Current Liabilities & Provisions					
	Current Liabilities	4,301.08	3,266.64	3,072.41	2,146.39	490.38
	Provisions	122.56	111.77	86.75	47.61	33.47
		4,423.64	**3,378.41**	**3,159.16**	**2,194.00**	**523.85**
	Total Liabilities (D)	**8,791.38**	**7,814.82**	**5,414.91**	**3,917.22**	**2,307.02**
E	**Share Application Money Pending Allotment (E)**	**-**	**-**	**1.21**	**-**	**-**

	Particulars	As at March 31,				
		2010	2009	2008	2007	2006
F	**Net worth (A+B+C) – (D)-(E)**	**4,721.00**	**4,245.43**	**3,790.25**	**1,847.38**	**1,639.90**
	Represented by:					
	Shareholders' funds					
	Share Capital	2,323.83	2,323.83	2,322.86	1,180.00	1,180.00
	Reserves & Surplus	2,397.17	1,921.60	1,467.39	667.38	459.90
	a) Securities Premium Account	457.63	457.63	457.14	-	
	b) General Reserve	220.00	20.00	20.00	20.00	20.00
	c) Debt Redemption Reserve	-	200.00	160.00	120.00	80.00
	d) Profit and Loss Account	1,719.54	1,243.97	830.25	527.38	359.90
	Total	**4,721.00**	**4,245.43**	**3,790.25**	**1,847.38**	**1,639.90**

STANDALONE RESTATED STATEMENT OF PROFIT & LOSSES

(Rs. In Million)

Particulars	For the year ended March 31,				
	2010	2009	2008	2007	2006
Income					
Income from Operations:					
Terminalling Services	927.29	880.19	578.75	512.60	511.65
Construction and Engineering Services	8,773.12	9,117.04	7,782.57	3,669.50	1,889.74
Total Income from Operations	9,700.41	9,997.23	8,361.32	4,182.10	2,401.39
Other income	493.47	408.75	72.10	18.01	14.20
Total Income	**10,193.88**	**10,405.98**	**8,433.42**	**4,200.10**	**2,415.59**
Expenditure					
Cost of Construction and Engineering Services	8,332.96	8,624.78	7,237.06	3,379.27	1,691.01
Personnel expenses	210.40	180.79	94.99	56.72	44.05
Operating and other expenses	361.58	338.99	210.70	154.78	137.92
Operating Expenses	8,904.94	9,144.56	7,542.75	3,590.77	1,872.98
Profit before interest, depreciation, tax and amortisation (PBIDTA)	**1,288.94**	**1,261.42**	**890.66**	**609.34**	**542.61**
Interest and Finance Charges	345.55	342.38	191.07	112.29	107.38
Depreciation	227.18	212.32	180.69	172.23	163.76
Profit before tax	**716.21**	**706.72**	**518.90**	**324.82**	**271.47**
Current Tax (including Fringe Benefit Tax & Wealth Tax)	243.90	266.29	188.42	79.08	4.08
Deferred Tax	(3.23)	(13.26)	(12.39)	38.27	83.96
Profit after Tax (A)	**475.54**	**453.69**	**342.87**	**207.47**	**183.43**
Adjustments:					
Changes in Accounting Policy	-	-	-	-	-
Effects for incorrect Accounting Policy	-	-	-	-	-
Effects of Auditor's Qualification	-	-	-	-	-
Prior Period Items	-	-	-	-	-
Total Adjustments	-	-	-	-	-
Tax Impact on above adjustment	-	-	-	-	-
Tax Impact - Others	-	-	-	-	-
Total Tax Adjustments	-	-	-	-	-

Particulars	For the year ended March 31,				
	2010	2009	2008	2007	2006
Total Adjustments after tax impact (B)	-	-	-	-	-
Net Profit, as Restated (A+B)	**475.54**	**453.69**	**342.87**	**207.47**	**183.43**
Adjusted Earnings Per Share (Basic & Diluted) (Rs.)	**2.05**	**1.95**	**2.11**	**1.76**	**1.55**

STANDALONE RESTATED STATEMENT OF CASH FLOW

(Rs. In Million)

Particulars		For the year ended March 31,				
		2010	2009	2008	2007	2006
A.	**Cash Flow from Operating Activities**					
	Net Profit before tax as restated	716.21	706.72	518.90	324.82	271.47
	Adjustment for :					
	Depreciation	227.18	212.32	180.70	172.22	163.76
	Foreign Exchange Gain/Loss - Unrealised (net)	(36.00)	9.23	(2.69)	0.04	-
	Interest Income	(51.49)	(42.80)	(25.96)	(4.63)	(2.89)
	Dividend Income	(397.46)	(382.78)	(12.51)	(10.00)	(4.99)
	(Profit)/Loss on Sale of Fixed Assets	(26.26)	0.33	(21.43)	0.35	0.17
	(Profit)/Loss on Revaluation of Land	-	-	-	(5.14)	-
	Provision for Warranty Costs	10.14	(3.26)	28.30	12.00	(22.79)
	Provision for Doubtful Debts/Advances	-	-	-	0.40	-
	Income from Current Investments	(1.65)	(0.04)	(31.88)	(1.03)	(0.92)
	Interest and finance charges (Gross)	397.05	385.18	217.03	116.93	110.27
	Sub Total	**121.51**	**178.18**	**331.56**	**281.14**	**242.61**
	Operating profit before working capital changes	**837.72**	**884.90**	**850.46**	**605.96**	**514.08**
	Adjustments for:					
	Changes in Trade and Other Receivables	322.70	45.72	(435.49)	(737.01)	1.63
	Changes in Inventories	(42.13)	(39.10)	12.51	(5.56)	107.62
	Changes in Other Current Assets	(1,683.56)	(1,521.47)	(3,369.51)	(146.47)	(18.00)
	Changes in Current Liabilities & Provisions	1,078.67	204.60	940.70	1,656.88	33.12
	Cash from operations	**513.40**	**(425.35)**	**(2,001.33)**	**1,373.80**	**638.45**
	Income Taxes paid	(254.41)	(229.04)	(184.96)	(60.99)	(60.51)
	Net cash from/(used in) operating activities (A)	**258.99**	**(654.39)**	**(2,186.29)**	**1,312.81**	**577.94**
B	**Cash Flow from Investing Activities**					
	Purchase of Fixed Assets (including CWIP)	(279.99)	(669.28)	(384.68)	(221.13)	(46.46)
	Sale of Fixed Assets	52.80	1.00	38.23	2.65	0.39
	Equity investments in Joint Venture/Subsidiary Companies	(29.94)	(925.67)	(278.86)	(87.95)	-
	Dividend Received from Joint Venture/Subsidiary Companies	397.46	382.78	12.51	10.00	4.99
	Income from Current Investments	1.65	0.04	31.88	1.03	0.92
	Interest Received	60.39	35.72	25.68	3.92	2.95
	Net cash from/(used in) investing activities (B)	**202.37**	**(1,175.41)**	**(555.24)**	**(291.48)**	**(37.21)**

Particulars		For the year ended March 31,				
		2010	2009	2008	2007	2006
C.	**Cash Flow from Financing Activities**					
	Share Application Money Received	-	-	1.21	-	-
	Proceeds from issue of Equity Shares	-	0.25	1,600.00	-	-
	Dividend Paid	-	-	-	-	(59.00)
	(Repayment) / Receipt of long -term borrowings	(77.17)	1,392.85	387.88	(38.21)	(36.52)
	Increase / (decrease) in short-term bank borrowings	11.73	801.08	157.03	(60.00)	(319.71)
	Interest and finance charges	(404.61)	(376.51)	(218.18)	(115.64)	(110.50)
	Net cash from/(used in) financing activities (C)	**(470.05)**	**1,817.67**	**1,927.94**	**(213.85)**	**(525.73)**
	Net (Decrease) / Increase in cash (A+B+C)	**(8.69)**	**(12.13)**	**(813.59)**	**807.48**	**15.00**
	Cash and cash equivalents at beginning of year	19.57	31.70	845.29	37.81	22.81
*	Cash and cash equivalents at end of year	10.88	19.57	31.70	845.29	37.81
	Net (Decrease) / Increase as above	(8.69)	(12.13)	(813.59)	807.48	15.00

Note:

Cash and cash equivalents exclude balance in margin money.

* Cash and cash equivalents, for the year 2007 includes Rs.540 Million in units of mutual funds.

CONSOLIDATED RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Million)

Particulars		As at March 31,				
		2010	2009	2008	2007	2006
A	**Goodwill Arising on Consolidation**	**311.30**	**311.30**	**167.84**	**-**	**-**
B	**Fixed Assets**					
	Gross Block (at cost)	7,020.35	6,656.63	4,470.66	3,936.09	3,730.86
	Less: Depreciation	2,252.35	1,732.44	1,366.55	1,139.30	948.66
	Net Block	**4,768.00**	**4,924.18**	**3,104.11**	**2,796.79**	**2,782.20**
	Capital Work in Progress (including capital advance payments)	376.91	254.32	407.30	178.40	31.14
	Total Fixed Assets	**5,144.91**	**5,178.50**	**3,511.41**	**2,975.19**	**2,813.34**
C	**Assets Held for Disposal**	-	-	-	**15.14**	**10.00**
D	**Investments**	**279.51**	**303.82**	**1.05**	**540.00**	**0.00**
E	**Current Assets, Loans and Advances**					
	Inventories	217.21	154.96	227.04	36.59	27.93
	Sundry Debtors	3,659.70	2,792.32	1,915.51	1,427.70	871.76
	Cash & Bank balances	699.94	1,385.08	1,525.10	355.66	45.20
	Loans and advances	1,148.34	632.59	795.64	220.39	171.21
	Other Current Assets	8,132.05	5,713.95	2,946.80	1,066.63	661.99
		13,857.24	**10,678.91**	**7,410.10**	**3,106.97**	**1,778.09**
F	**Miscellaneous Expenditure (to the extent not written off)**	0.59	0.82	2.14	1.05	**-**

Particulars		As at March 31,				
		2010	**2009**	**2008**	**2007**	**2006**
G	**Deferred Tax Assets**	**-**	**-**	**-**	**-**	**0.89**
	Total Assets (A+B+C+D+E+F+G)	**19,593.55**	**16,473.36**	**11,092.55**	**6,638.34**	**4,602.33**
H	**Liabilities & Provisions**					
	Loan Funds					
	Secured Loans	4,160.33	3,815.34	2,198.58	1,604.90	1,496.63
	Unsecured Loans	917.03	958.11	157.03	-	60.00
		5,077.36	**4,773.47**	**2,355.61**	**1,604.90**	**1,556.63**
	Deferred Tax Liability	**393.22**	**377.14**	**418.54**	**423.14**	**374.37**
	Current Liabilities & Provisions					
	Current Liabilities	7,508.31	5,693.55	4,065.69	2,533.21	833.03
	Provisions	230.99	290.28	117.35	74.93	41.62
		7,739.30	**5,983.84**	**4,183.04**	**2,608.14**	**874.65**
	Total Liabilities (H)	**13,209.88**	**11,134.43**	**6,957.19**	**4,636.18**	**2,805.66**
I	**Share Application Money (I)**	**-**	**-**	**1.21**	**-**	**-**
J	**Minority Interest (J)**	**647.40**	**338.73**	**176.98**	**86.28**	**79.62**
	Net worth (A+B+C+D+E+F+G)-(H)-(I)-(J)	**5,736.27**	**5,000.21**	**3,957.17**	**1,915.88**	**1,717.05**
	Represented by:					
	Shareholders' funds					
	Share Capital	2,323.83	2,323.83	2,322.86	1,180.00	1,180.00
	Reserves & Surplus	3,412.44	2,676.37	1,634.31	735.88	537.05
	a) Capital Reserve on consolidation	-	-	-	31.99	31.99
	b) Securities Premium Account	457.63	457.63	457.14	-	-
	c) Foreign Currency Translation Reserve	(130.80)	74.09	(4.23)	0.13	-
	c) Debenture Redemption Reserve	-	200.00	160.00	120.00	80.00
	c) General Reserve	312.30	108.02	133.74	34.02	20.00
	d) Profit and Loss account	2,773.31	1,836.64	887.67	549.74	405.06
	Total	**5,736.27**	**5,000.21**	**3,957.17**	**1,915.88**	**1,717.05**

CONSOLIDATED RESTATED STATEMENT OF PROFIT & LOSSES

(Rs. In Million)

Particulars	For the Year Ended March 31,				
	2010	**2009**	**2008**	**2007**	**2006**
Income					
Income from Operations:					
Terminalling Services	1,218.00	1,070.58	651.31	583.34	581.77
Construction and Engineering Services	13,780.98	14,426.37	9,944.38	4,166.27	2,898.21
Other Sales	219.95	277.39	296.27	338.52	-
Total Income from Operations	**15,218.93**	**15,774.34**	**10,891.96**	**5,088.13**	**3,479.98**
Other income	73.71	111.36	60.29	9.83	11.53
Total Income	**15,292.64**	**15,885.70**	**10,952.25**	**5,097.96**	**3,491.51**

Particulars	For the Year Ended March 31,				
	2010	2009	2008	2007	2006
Expenditure					
Cost of Construction and Engineering Services	11,015.92	12,305.72	9,236.48	4,089.93	2,588.21
Personnel expenses	649.52	468.29	211.68	87.40	72.55
Operating and other expenses	805.93	547.98	297.55	211.94	179.81
Operating Expenses	**12,471.36**	**13,321.99**	**9,745.71**	**4,389.27**	**2,840.57**
Profit before interest, depreciation, tax and amortisation (PBIDTA)	**2,821.27**	**2,563.70**	**1,206.54**	**708.69**	**650.94**
Interest and Finance Charges	455.98	396.32	207.50	129.96	121.21
Depreciation	476.79	367.36	214.25	194.65	184.22
Profit Before Tax and Exceptional item	**1,888.50**	**1,800.02**	**784.79**	**384.08**	**345.51**
Exceptional Item	**-**	**-**	**-**	**-**	**-**
Profit before tax, exceptional items and prior period items	**1,888.50**	**1,800.02**	**784.79**	**384.08**	**345.51**
Current Tax (including Fringe Benefit Tax & Wealth Tax)	530.69	544.73	238.75	104.38	27.33
Deferred Tax	12.12	(41.41)	(5.04)	49.66	90.25
Profit before exceptional items and prior period items	**1,345.69**	**1,296.70**	**551.08**	**230.03**	**227.93**
Exceptional items	-	-	-	-	-
Prior Period items	(66.38)	-	-	-	-
Net Profit Before Minority Interest	**1,279.31**	**1,296.70**	**551.08**	**230.03**	**227.93**
Share of Minority Shareholders	**324.20**	**332.30**	**76.20**	**11.22**	**16.14**
Profit after Tax (A)	**955.11**	**964.41**	**474.88**	**218.81**	**211.78**
Adjustments:					
Changes in Accounting Policy	-	-	-	-	-
Effects for incorrect Accounting Policy	-	-	-	-	-
Effects of Auditor's Qualification	-	-	-	-	-
Prior Period Items	66.38	(66.38)	-	-	-
Total Adjustments	**66.38**	**(66.38)**	**-**	**-**	**-**
Total Tax Impact of adjustments	**-**	**-**	**-**	**-**	**-**
Total Adjustments after tax impact (B)	**66.38**	**(66.38)**	**-**	**-**	**-**
Net Profit, as Restated (A+B)	**1,021.49**	**898.03**	**474.88**	**218.81**	**211.78**
Earnings Per Share (Basic & Diluted) (Rs.)	**4.40**	**3.86**	**2.92**	**1.85**	**1.79**

CONSOLIDATED RESTATED STATEMENT OF CASH FLOW

(Rs. In Million)

	Particulars	For the Year Ended March 31,				
		2010	2009	2008	2007	2006
A.	**Cash Flow from Operating Activities**					
	Net Profit before tax as restated	**1,888.50**	**1,800.02**	**784.79**	**384.08**	**345.51**
	Adjustment for :					
	Depreciation	476.79	367.36	214.25	194.64	184.22

	Particulars	For the Year Ended March 31,				
		2010	**2009**	**2008**	**2007**	**2006**
	Foreign Exchange Gain / Loss Unrealised (Net)	(41.70)	382.06	(7.20)	0.17	-
	(Profit) /Loss on disposal of assets	(33.11)	0.12	(21.43)	(0.35)	0.16
	Diminution in the value of Fixed Assets earlier provided now written back	-	-	-	(5.14)	-
	Contract written back	-	(1.11)	(5.71)	-	-
	Provision for warranty cost(Net)	14.78	(2.58)	28.95	12.00	(21.48)
	Interest Income	(47.32)	(48.13)	(11.68)	4.29	(2.89)
	Profit on sale of current investment	(0.06)	-	(0.01)	-	-
	Interest & Finance charges	478.86	532.60	226.36	126.40	124.23
	Income from Current investment	(4.60)	(0.04)	(32.27)	(1.03)	-
	Provision for Doubtful Debts	-	-	-	0.40	0.72
	Other Income	-	-	-	-	(0.54)
	Liability written back	-	-	-	-	(1.60)
	Sub Total	**843.63**	**1,230.27**	**391.25**	**331.38**	**282.82**
	Operating profit before working capital changes	**2,732.13**	**3,030.29**	**1,176.03**	**715.46**	**628.33**
	Adjustments for:					
	Changes in Trade Debtors	(867.37)	(432.79)	(843.35)	(836.91)	31.59
	Changes in Inventories	(62.24)	126.41	(186.18)	(6.83)	25.06
	Changes in Other Current Assets	(2,418.09)	(1,708.58)	(1,740.42)	(146.28)	(18.17)
	Changes in Other Receivables	(520.52)	69.88	(768.36)	(78.14)	0.79
	Changes in Current liabilities & provisions	2,225.99	(780.47)	1,953.30	1,665.25	6.73
	Cash from operations	**1,089.89**	**304.75**	**(408.97)**	**1,312.54**	**674.34**
	Income Taxes paid	(588.09)	(530.28)	(218.77)	(88.36)	(93.24)
	Net cash from/(used in) operating activities (A)	**501.80**	**(225.53)**	**(627.74)**	**1,224.19**	**581.10**
B	**Cash Flow from Investing Activities**					
	Purchase of Fixed Assets including Capital Work in Progress	(660.37)	(1,626.10)	(791.22)	(364.86)	(81.75)
	Proceeds from Sale of Fixed Assets	67.36	2.27	38.25	70.01	0.81
	Acquisition of Additional stake in Subsidiaries/Business (Acquisitions) / Disposal	-	(125.70)	(199.83)	-	-
	Income from Current investment	4.60	0.04	31.88	1.03	-
	Purchase of investments	25.04	1.02	(0.91)	-	-
	Interest Received	47.32	41.48	28.49	4.36	3.09
	Net cash from/(used in) investing activities (B)	**(516.06)**	**(1,707.01)**	**(893.35)**	**(289.46)**	**(77.85)**
C.	**Cash Flow from Financing Activities**					
	Proceeds from issue of shares	-	0.25	1,605.59	-	-
	Proceeds from Share Application Money	150.00	-	1.21	-	-
	Proceeds from / (Repayment of) long term borrowings	344.99	1,516.89	637.89	108.27	(65.75)
	Short Term Borrowings (Net)	(687.01)	946.81	157.03	(51.09)	(317.45)
	Interest Paid	(478.86)	(506.02)	(244.45)	(134.46)	(124.50)
	Pre-incorporation expenses	-	-	-	(1.05)	-
	Dividend Paid including dividend tax	-	(165.42)	(6.75)	(5.92)	(5.21)
	Net cash from/(used in) financing activities (C)	**(670.88)**	**1,792.51**	**2,150.52**	**(84.26)**	**(512.90)**

Particulars		For the Year Ended March 31,				
		2010	2009	2008	2007	2006
	Net (Decrease) / Increase in cash (A+B+C)	**(685.14)**	**(140.02)**	**629.44**	**850.46**	**(9.65)**
	Cash and cash equivalents at beginning of year	1,385.08	1,525.10	895.66	45.20	54.85
	* Cash and cash equivalents at end of year	699.94	1,385.08	1,525.10	895.66	45.20
	Net (Decrease) / Increase as above	(685.14)	(140.02)	629.44	850.46	(9.65)

Note:
Cash and cash equivalents exclude balance in margin money.
* Cash and cash equivalents, for the year 2007 includes Rs. 540 Million in units of mutual funds.

THE ISSUE

Issue	72,746,622 Equity Shares
of which	
i) Fresh Issue by the Company	58,197,300 Equity Shares
ii) Offer for Sale by the Selling Shareholders#	14,549,322 Equity Shares
of which	
A) QIB portion	Not more than 36,373,311 Equity Shares
Of which	
Anchor Investor Portion(1)	Not more than 10,911,993 Equity Shares
Balance available for allocation to QIBs other than the Anchor Investors (assuming the Anchor Investor Portion is fully subscribed)	25,461,318 Equity Shares
Of which:	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion)	1,273,066 Equity Shares
Balance for all QIBs including Mutual Funds	24,188,252 Equity Shares
B) Non-Institutional Portion*(2)*	Not less than 10,911,993 Equity Shares
C) Retail Portion*(2)*	Not less than 25,461,318 Equity Shares
Pre and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	232,789,155 Equity Shares(3)
Equity Shares outstanding after the Issue	290,986,455 Equity Shares(4)
Use of Net Proceeds	See the section "Objects of the Issue" beginning on page 39 of this Draft Red Herring Prospectus for information about the use of the Net Proceeds. The Company will not receive any proceeds from the Offer for Sale.

 # The Equity Shares offered by the Selling Shareholders in the Issue have been held by them for more than a period of one year as on the date of this Draft Red Herring Prospectus.

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

(1) The Company may, in consultation with the BRLMs, 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 other Anchor Investors. For further details, see the section "Issue Procedure" beginning on page 349 of this Draft Red Herring Prospectus.

(2) Subject to valid Bids being received at or above the Issue Price, under subscription, if any, in any category would be allowed to be met with spill over from any other category or combination of categories at the discretion of the Company, the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange.

(3) The fully diluted pre-Issue paid-up share capital of the Company after taking into consideration 4,890,805 outstanding employee stock options granted under the ESOP 2007 which have not yet vested or vested but not yet exercised would be 237,679,960.

(4) The fully diluted post-Issue paid-up share capital of the Company after taking into consideration 4,890,805 outstanding employee stock options which have not yet vested or vested but not yet exercised would be 295,877,260.

GENERAL INFORMATION

Registered Office and Registration Number

103 Spectra, Hiranandani Business Park
Powai, Mumbai 400 076
Tel: (91 22) 6677 2700
Fax: (91 22) 6691 9599
CIN and Registration Number: U23200MH1996PLC102222
E-mail: investor.relations@iotinfraenergy.com
Website: www.iotinfraenergy.com

Address of the RoC

Registrar of Companies, Maharashtra
5th Floor, Everest Building
100, Marine Drive
Mumbai 400 002

Board of Directors

The Board of Directors consists of:

Name and designation of the Director	DIN	Address
Brij Mohan Bansal *Chairman*	00142166	Indian Oil Corporation Limited, 3079/3, Sadiq Nagar, J. B. Tito Marg, New Delhi 110 049
Jayanta Bhuyan *Managing Director*	00190051	902, Sovereign, Hiranandani Gardens, Powai Mumbai 400 076
Rutger Van Thiel *Non-Independent, Non-Executive Director appointed as a nominee of Oiltanking India*	03199912	Neuer Wall 48, 20354, Germany
Aart Willem Lokhorst *Non-Independent, Non-Executive Director appointed as a nominee of Oiltanking India*	00532280	724 Chelsea Cloisters – Sloane Avenue, London SW3 3DS, UK
S. V. Narasimhan *Non-Independent, Non-Executive Director appointed as a nominee of Indian Oil*	00142132	B 835 Dhyanchand Marg, Asiad Village Complex, New Delhi, 110 049
R. Narayanan *Non-Independent, Non-Executive Director appointed as a nominee of Indian Oil*	00803486	650, Asiad Village Complex, New Delhi, 110 049
Arun Balakrishnan *Non-Executive, Independent Director*	00130241	A-12, Mayfair Gardens, Little Gibbs Road Malabar Hill, Mumbai 400 006
T. C. Venkat Subramanian *Non-Executive, Independent Director*	00040526	Flat No.10, Devayan Apartments, Ganesh Nagar, Rue Pappamal Koil, Puducherry 605 003

Name and designation of the Director	DIN	Address
P. Sugavanam *Non-Executive, Independent Director*	Provisional DIN - 03229120	119, Block -A, Vinay Cascades, Thimmaryappa Garden, 3rd Main, 11th Cross, Sivanand Nagar, Bangalore 560 075
Shyam Sunder Suri *Non-Executive, Independent Director*	00410766	601/602, Oyster Shell II, Juhu Tara Road, Juhu, Mumbai 400 049
Vinod Kumar Sharma *Non-Executive, Independent Director*	00115426	506, Suraj, New Vasundhara Co-operative Housing Society, Thakur Village Kandivali (East) Mumbai 400 101
Samir Kumar Barua *Non-Executive, Independent Director*	00211077	House No. 501, Indian Institute of Management, Ahmedabad 380 015

For further details of the Directors, see the section "Management" beginning on page 113 of this Draft Red Herring Prospectus.

Company Secretary

Jatin Mavani
103 Spectra, Hiranandani Business Park
Powai, Mumbai 400 076
Tel No: (91 22) 6677 2705
Fax: (91 22) 6691 9599
E-mail: jatin.mavani@oiltanking.com

Compliance Officer

Girjesh Shrivastava
103 Spectra, Hiranandani Business Park
Powai, Mumbai 400 076
Tel No: (91 22) 6677 2725
Fax: (91 22) 6691 9599
E-mail: investor.relations@iotinfraenergy.com

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 allocation, credit of Allotted Equity Shares in the respective beneficiary account and refund of application money.

Book Running Lead Managers

SBI Capital Markets Limited
202, Maker Tower 'E'
Cuffe Parade
Mumbai 400 005
Tel: (91 22) 2217 8300
Fax: (91 22) 2218 8332
E-mail: iot.ipo@sbicaps.com
Investor Grievance E-mail: investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Raman Goyal
SEBI Registration Number: INM000003531

Enam Securities Private Limited
801/802, Dalamal Towers
Nariman Point
Mumbai 400 021
Tel: (91 22) 6638 1800
Fax: (91 22) 2284 6824
E-mail: iotlipo@enam.com
Investor Grievance E-mail: complaints@enam.com
Website: www.enam.com
Contact Person: Harish Lodha
SEBI Registration Number: INM000006856

For all Issue related queries and for referral of complaints, investors may also write to the BRLMs. All complaints, queries or comments received by SEBI shall be forwarded to the BRLMs, who shall respond to the same.

Syndicate Members

[●]

Legal Counsels

Domestic Legal Counsel to the Company

Dua Associates
202-206, Tolstoy House
15 Tolstoy Marg
New Delhi 110 001
Tel: (91 11) 2371 4408
Fax: (91 11) 2331 7746

Domestic Legal Counsel to the Book Running Lead Mangers

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

International Legal Counsel to the Book Running Lead Mangers

Ashurst Hong Kong
16/F ICBC Tower, Citibank Plaza
3 Garden Road Central, Hong Kong
Tel: (852) 2846 8989
Fax: (852) 2868 0898

Auditors to the Company

Lodha & Co., Chartered Accountants
6, Karim Chambers
40, A Doshi Marg, (Hamam Street)
Mumbai 400 001
Tel: (91 22) 2269 1414 / 2269 1515
Fax: (91 22) 2265 0126
E-mail: rpbaradiya@lodhaco.com
Firm Registration Number: 301051E
Membership Number: 44101

Registrar to the Issue

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
LBS Marg, Bhandup (W)
Mumbai 400 078
Tel: (91 22) 2596 0320
Fax: (91 22) 2596 0329
E-mail: iot.ipo@linkintime.co.in
Investor Grievance E-mail: iot.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Sanjog Sud
SEBI Registration No: INR000004058

Bankers to the Issue and Escrow Collection Banks

[●]

Refund Banks

[●]

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process are provided on www.sebi.gov.in/pmd/scsb.pdf. For details on Designated Branches of SCSB collecting the ASBA Bid cum Application Form, please refer to the above mentioned link.

Bankers to the Company

State Bank of Bikaner and Jaipur
G-72, Connaught Circus
New Delhi 110 001
Tel: (91 11) 4999 5522/ 4499 5511
Fax: (91 11) 4999 5566/ 4999 5544
E-mail: sbbj10016@sbbj.co.in
Website: www.sbbjbank.com
Contact Person: Amrish Kumar Aggarwal

Standard Chartered Bank
90 MG Road
Fort, Mumbai 400 001
Tel: (91 22) 6735 0524
Fax: (91 22) 2262 4912
E-mail: piyush.agarwal@sc.com
Website: www.standardchartered.com
Contact Person: Piyush Agarwal

Dhanalakshmi Bank Limited
Trade View, 2nd Floor
Kamala Mills, Lower Parel
Mumbai 400 013
Tel: (91 22) 6154 1700
Fax: (91 22) 6154 1725
E-mail: satyendra.singh@dhanbank.co.in
Website: www.dhanbank.com
Contact Person: Satyendra Singh

Bank of Maharashtra
Industrial Financial Branch
Apeejay House
1, DR. V.B. Gandhi Marg,
Fort, Mumbai 400 001
Tel: (91 22) 2244 4882
Fax: (91 22)2285 0750
E-mail: bom972@mahabank.co.in
Website: www.bankofmaharashtra.in
Contact Person: Gautam Banerjee

State Bank of India
Corporate Accounts Group – Mumbai
Neville House, 3rd Floor
J.N. Heredia Marg, Ballard Estate
Mumbai 400 001
Tel: (91 22) 6154 2811
Fax: (91 22) 6154 2819
E-mail: dgm.rmcag@sbi.co.in
Website: www.statebankofindia.com
Contact Person: Siddhartha Sengupta

DBS Bank Limited
3rd Floor, Fort House
221, Dr. D.N. Road, Fort
Mumbai 400 001
Tel: (91 22) 6638 8888
Fax: (91 22) 6638 8898
E-mail: rakeshd@dbs.com
Website: www.dbs.com
Contact Person: Rakesh Dubey

Deutsche Bank
Kodak House, 222, Dr. D.N. Road
Fort, Mumbai 400 001
Tel: (91 22) 6658 4600
Fax: (91 22) 2207 5944
E-mail: Dipti.anchan@db.com
Website: www.db.com
Contact Person: Dipti Anchan

HDFC Bank
Trade House, II Floor,
Kamala Mills Compound
Senapati Bapat Marg
Lower Parel (West), Mumbai 400 013
Tel: (91 22) 2490 2861
Fax: (91 22) 2496 3994
E-mail: michael.joseph@hdfcbank.com
Website: www.hdfcbank.com

Contact Person: Michael Joseph

ICICI Bank Limited
ICICI Bank Towers
Bandra Kurla Complex
Mumbai 400 051
Tel: (91 22)2653 1414
Fax: (91 22)2653 1233
E-mail: santosh.pai@icicibank.com
Website: www.icicibank.com
Contact Person: Santosh Pai

Kotak Mahindra Bank Limited
5th Floor, Dani Corporate Park
158, CST Road, Kalina
Santacruz (East)
Mumbai 400 098
Tel: (91 22) 6759 5559
Fax: (91 22) 6759 5324
E-mail: sudha.balakrishnan@kotak.com
Website: www.kotak.com
Contact Person: Sudha Balakrishnan

Bank of Nova Scotia
Mittal Tower, 'B' Wing
Nariman Point
Mumbai 400 021
Tel: (91 22) 6636 4200
Fax: (91 22) 2287 3125
E-mail: bns.mumbai@scotiabank.com
Website: www.scotiabank.com
Contact Person: S. Ravindran

Union Bank of India
Industrial Finance Branch (ISO 9001: 2000 certified)
Union Bank Bhavan, 239, Vidhan Bhavan Marg
Nariman Point
Mumbai 400 021
Tel: (91 22) 2202 4647/ 2825 3522
Fax: (91 22) 2825 5037
E-mail: unionifb@bol.net.in
Website: www.unionbankofindia.co.in
Contact Person: R.S. Vishwakarma

YES Bank Limited
Nehru Centre, 5th Floor
Discovery of India, Dr. A.B. Road
Worli, Mumbai 400 018
Tel: (91 22) 6669 9027
Fax: (91 22) 6669 9255
E-mail: amit.seth@yesbank.in; rohan.shroff@yesbank.in
Website: www.yesbank.in
Contact Person: Amit Seth/ Rohan Shroff

Monitoring Agency

The Company has appointed [●] as the monitoring agency pursuant to the agreement dated [●].

Statement of *inter se* allocation of responsibilities for the Issue

The following table sets forth the inter se allocation of responsibility and co-ordination for various activities amongst the BRLMs:

Sr. No	Activity	Responsibility	Co-ordinator
1.	Capital structuring with relative components and formalities.	SBI Caps, Enam	SBI Caps
2.	Due diligence of Company's operations/ management/ business plans/ legal etc. Drafting and design of Draft Red Herring Prospectus including memorandum containing salient features of the Prospectus.	SBI Caps, Enam	SBI Caps
3.	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.	SBI Caps, Enam	SBI Caps

Sr. No	Activity	Responsibility	Co-ordinator
4.	Drafting and approval of all statutory advertisements.	SBI Caps, Enam	SBI Caps
5.	Appointment of printer, IPO Grading Agency and Monitoring Agency.	SBI Caps, Enam	SBI Caps
6.	Appointment of Bankers to the Issue, Registrar and advertisement agency.	SBI Caps, Enam	Enam
7.	Preparation and finalisation of the road-show presentation, and FAQs for the road-show team.	SBI Caps, Enam	Enam
8.	Approval of all non-statutory advertisement including corporate advertisements.	SBI Caps, Enam	Enam
9.	International and domestic Institutional marketing: Institutional marketing of the Issue, which will cover, inter alia, • Institutional marketing strategy; • Finalizing the list and division of investors for one to one meetings; and • Finalizing road show schedule and investor meeting schedules. Non-Institutional and Retail Marketing of the Issue, which will cover, inter alia: • Formulating marketing strategies, preparation of publicity budget; • Finalizing Media & PR strategy; • Finalizing centers for holding conferences for brokers, etc; • Follow-up on distribution of publicity and Issuer material including application form, prospectus and deciding on the quantum of the Issue material; and • Finalizing collection centres.	SBI Caps, Enam	Enam
10.	Managing the book and finalisation of Pricing in consultation with the Company.	SBI Caps, Enam	Enam
11.	Co-ordination with stock exchanges for book building software, bidding terminals and mock trading.	SBI Caps, Enam	SBI Caps
12.	The Post Issue activities for the Issue will involve essential follow up steps, which include the finalisation of basis of allotment, dispatch of refunds, demat of delivery of shares, finalisation of listing and trading of instruments with the various agencies connected with the work such as the Registrar to the Issue and Bankers to the Issue. (The merchant banker shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with the Company).	SBI Caps, Enam	Enam

If any of these activities are handled by other intermediaries, the designated BRLMs shall be responsible for ensuring that these agencies fulfil their functions and enable them to discharge this responsibility through suitable agreements with the Company.

Credit Rating

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

IPO Grading

This Issue has been graded by [●] as [●] indicating [●]. The rationale/description furnished by the IPO Grading Agency will be disclosed in the Red Herring Prospectus filed with the RoC.

Experts

Except the report of the Auditors dated September 7, 2010 and the statement of tax benefits dated September 7, 2010 provided by Lodha & Co., Chartered Accountants and the report of [●] in respect of the IPO grading of this Issue annexed herewith to this Draft Red Herring Prospectus, the Company has not obtained any expert opinions.

Trustees

As the Issue is 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. The Issue Price is finalised after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

1. the Company;
2. the Selling Shareholders;
3. the BRLMs;
4. the 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;
5. the SCSBs;
6. the Escrow Collection Bank(s); and
7. the Registrar to the Issue.

In terms of Rule 19(2)(b)(i) of the SCRR, as amended and under the SEBI Regulations, where this Issue is being made through the 100% Book Building Process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIB Bidders. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% 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.

The Company and the Selling Shareholders shall comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, the Company and the Selling Shareholders have appointed the BRLMs to manage the Issue and procure subscriptions to the Issue.

In accordance with the SEBI Regulations, QIB Bidders are not allowed to withdraw their Bids after the Bid/ Issue Closing Date. For further details, see the section "Terms of the Issue" beginning on page 342 of this Draft Red Herring Prospectus.

The Book Building Process under the SEBI Regulations is subject to change from time to time and 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 the Book Building Process and price discovery process

Investors should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per equity share, offer size of 3,000 equity shares and receipt of five bids from bidders out which one bidder has bid for 500 equity shares at Rs. 24 per equity share while another has bid for 1,500 equity shares at Rs. 22 per equity share. A graphical representation of consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book given below shows the demand for the shares of a company at various prices and is collated from bids 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 company is able to offer the desired number of shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The company 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 the issue price and cut-off price are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for bidding:

- Check eligibility for bidding (see "Who Can Bid?" in the section "Issue Procedure " beginning on page 349 of this Draft Red Herring Prospectus);

- Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum Application Form or the ASBA Bid cum Application Form, as the case may be;

- Except for Bids on behalf of the Central or State Governments and the officials appointed by the courts, for Bids of all values, ensure that you have mentioned your PAN allotted under the I.T. Act in the Bid cum Application Form or the ASBA Bid cum Application Form. 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 (see the section "Issue Procedure" beginning on page 349 of this Draft Red Herring Prospectus). However, Bidders residing in the State of Sikkim are exempted from the mandatory requirement of PAN. The exemption is subject to the Depository Participants' verifying the veracity of the claim of the investors that they are residents of Sikkim, by collecting sufficient documentary evidence in support of their address;

- Ensure that the Bid cum Application Form or ASBA Bid cum Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the Bid Cum Application Form or ASBA Bid cum Application Form, respectively;

- Bids by QIBs (including Anchor Investors) shall be submitted only to the BRLMs and/or their affiliates,, other than Bids by QIBs (excluding the Anchor Investors) who Bid through the ASBA process, who shall submit the Bids to the Designated Branch of the SCSBs; and

- ASBA Bidders will have to submit their Bids (physical form) to the Designated Branches. ASBA Bidders should ensure that the ASBA Account has adequate credit balance at the time of submission of the ASBA Bid cum Application Form to the SCSB to ensure that the Bid is not rejected.

Underwriting Agreement

After the determination of the Issue Price and allocation of the Equity Shares, but prior to the filing of the Prospectus with the RoC, the Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered and sold in 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 their respective Syndicate Members do not fulfil their underwriting obligations. The underwriting shall be to the extent of the Bids uploaded by the Underwriters including through its Syndicate / Sub Syndicate. 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 the filing of the Prospectus with the RoC)

Name and Address of the Underwriter	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. In Million)
SBI Capital Markets Limited 202, Maker Tower 'E' Cuffe Parade Mumbai 400 005	[●]	[●]
Enam Securities Private Limited 801/802, Dalamal Towers Nariman Point Mumbai 400 021	[●]	[●]

The above mentioned amount is indicative underwriting and this would be finalised after determination of the Issue Price and actual allocation.

In the opinion of the Board of Directors (based on the certificates 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 above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. The Board of Directors, at its meeting held on [●], has authorised the execution and delivery the Underwriting Agreement mentioned above on behalf of the Company. The Selling Shareholders have by their board resolution and managing director's resolution dated [●] and [●], respectively, accepted and entered into the Underwriting Agreement.

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

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) final listing and trading approvals of the

Stock Exchanges, which the Company shall apply for after Allotment; and (ii) the final approval of the RoC after the Prospectus is filed with the RoC.

CAPITAL STRUCTURE

The Equity Share capital of the Company as at the date of this Draft Red Herring Prospectus is set forth below:

(In Rs. except share data)

		Aggregate Value at Face Value	Aggregate Value at Issue Price
A	**AUTHORISED SHARE CAPITAL**		
	500,000,000 Equity Shares	5,000,000,000	
	Total	**5,000,000,000**	
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**		
	232,789,155 Equity Shares	2,327,891,550	[●]
	Total	**2,327,891,550**	[●]
C	**PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	72,746,622 Equity Shares	727,466,220	[●]
	of which		
	Fresh Issue of 58,197,300 Equity Shares[1]	581,973,000	
	Offer for Sale of 14,549,322 Equity Shares[2]	145,493,220	[●]
E	**EQUITY CAPITAL AFTER THE ISSUE**		
	290,986,455 Equity Shares	2,909,864,550	[●]
F	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	459,660,065	[●]
	After the Issue	[●]	[●]

1 *The Fresh Issue has been authorised by a resolution of the Company's Board dated July 27, 2010 and by a special resolution passed pursuant to section 81(1A) of the Companies Act, at the EGM of the shareholders of the Company held on July 27, 2010.*

2 *Approval of the managing director of Oiltanking India and board of directors of Indian Oil dated July 26, 2010 and July 24, 2010, respectively, approving the Offer for Sale.*

Changes in the Authorised Share Capital

(1) The initial authorised share capital of Rs. 1,000 Million divided into 100 Million Equity Shares was increased to Rs. 3,000 Million divided into 300 Million Equity Shares, pursuant to a resolution of the shareholders of the Company dated October 14, 1997.

(2) The authorised share capital of Rs. 3,000 Million divided into 300 Million Equity Shares was increased to Rs. 5,000 Million divided into 500 Million Equity Shares, pursuant to a resolution of the shareholders of the Company dated July 27, 2010.

Notes to the Capital Structure

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

(a) The following is the history of the equity share capital and securities premium account of the Company:

Date of allotment of the Equity Shares	No. of Equity Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Consideration (cash, other than cash etc)	Reasons for allotment	Cumulative No. of Equity Shares	Cumulative paid-up Equity Share Capital (Rs.)	Cumulative Securities Premium (Rs.)
October 1, 1996	8	10	10	Cash	Subsciption to the Memorandum of Association[1]	8	80	-
July 25, 1997	40,000,000	10	10	Cash	Preferential Issue	40,000,008	400,000,080	-
September 17, 1997	39,999,992	10	10	Cash	Rights Issue	80,000,000	800,000,000	-
August 2, 2000	20,000,000	10	10	Cash	Rights Issue	100,000,000	1,000,000,000	-
December 7, 2000	10,000,000	10	10	Cash	Rights Issue	110,000,000	1,100,000,000	-
October 1, 2002	8,000,000	10	10	Cash	Rights Issue	118,000,000	1,180,000,000	-
January 22, 2008	114,285,710	10	14	Cash	Rights Issue	232,285,710	2,322,857,100	457,142,840
April 8, 2008	80,720	10	15	Cash	Pursuant to ESOP 2007[2]	232,366,430	2,323,664,300	457,546,440
September 20, 2008	16,760	10	15	Cash	Pursuant to ESOP 2007[3]	232,383,190	2,323,831,900	457,630,240
August 25, 2010	405,965	10	15	Cash	Pursuant to ESOP 2007[4]	232,789,155	2,327,891,550	459,660,065

(1) *Equity Shares allotted to Indian Oil, IBP Company Limited and Oiltanking pursuant to the Joint Venture Agreement dated July 19, 1996.*

(2) *Equity Shares allotted to Sarthak Behuria, A.M. Uplenchwar, G.C. Daga, P.K. Goyal, D.N. Biswas and Suresh Prakash under ESOP 2007.*

(3) *Equity Shares allotted to Poonam Burman and Sunil Ramdas Dongare under ESOP 2007.*

(4) *Equity Shares allotted to Dr. Rentala Ravi Kumar, Jayanta Bhuyan, Sanjay Davar, Jatin Mavani, Jathavedan Nampoothiri, G.S.K Masud, M. Aiyaswamy, Sankar Prasad Saha, Shambhu Nath Jha, Prakash Kumar Sinha, Sunil Kumar Mittal, Laxman Kumar Sharma under ESOP 2007.*

(b) The Company has not Allotted any Equity Shares for consideration other than cash.

2. **History of the Equity Share Capital held by the Promoters**

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

Date of Allotment/ Transfer	No. of Equity Shares Allotted/ Transferred	Face Value (Rs.)	Issue/ Acquisition Price (Rs.)	Nature of consideration (Cash, gift, etc.)	Nature of transaction	% of pre-Issue Capital	% of post-Issue Capital
Indian Oil							
July 25, 1997	10,000,000	10	10	Cash	Allotment	4.30	3.44
September 17, 1997	9,999,998	10	10	Cash	Allotment	4.30	3.44
August 2, 2000	5,000,000	10	10	Cash	Allotment	2.15	1.72
December 7, 2000	2,500,000	10	10	Cash	Allotment	1.07	0.86
November 20, 2001	27,500,000	10	10	Cash	Transfer from IBP Company Limited[1]	11.81	9.45

Date of Allotment/ Transfer	No. of Equity Shares Allotted/ Transferred	Face Value (Rs.)	Issue/ Acquisition Price (Rs.)	Nature of consideration (Cash, gift, etc.)	Nature of transaction	% of pre-Issue Capital	% of post-Issue Capital
October 1, 2002	4,000,000	10	10	Cash	Allotment	1.72	1.37
January 22, 2008	57,142,855	10	14	Cash	Allotment	24.54	19.63
Total	**116,142,853***					**49.89**	**39.91**
Oiltanking India							
September 8, 1998	39,999,996	10	10	Cash	Transfer from Oiltanking(2)	17.18	13.75
August 2, 2000	10,000,000	10	10	Cash	Allotment	4.30	3.44
December 7, 2000	5,000,000	10	10	Cash	Allotment	2.15	1.72
October 1, 2002	4,000,000	10	10	Cash	Allotment	1.72	1.37
January 22, 2008	57,142,855	10	14	Cash	Allotment	24.59	19.63
Total	**116,142,851****					**49.89**	**39.91**
Oiltanking							
July 25, 1997	20,000,000	10	10	Cash	Allotment	8.59	6.87
September 17, 1997	19,999,996	10	10	Cash	Allotment	8.59	6.87
September 8, 1998	(39,999,996)	10	10	Cash	Transfer to Oiltanking India(2)	(17.18)	(13.75)

(1) *Pursuant to the joint venture agreement dated July 19, 1996, Oiltanking, Indian Oil and IBP Company Limited subscribed to the equity share capital of the Company in the ratio 50%, 25% and 25%, respectively. On November 20, 2001, Indian Oil acquired the entire 25% shareholding of IBP Company Limited. For further details, see the section "History and Certain Corporate Matters" beginning on page 108 of this Draft Red Herring Prospectus.*

(2) *Pursuant to the joint venture agreement dated July 19, 1996, Oiltanking, Indian Oil and IBP Company Limited subscribed to the equity share capital of the Company in the ratio 50%, 25% and 25%, respectively. On September 8, 1998, Oiltanking India acquired the entire 50% shareholding of Oiltanking. For further details, see the section "History and Certain Corporate Matters" beginning on page 108 of this Draft Red Herring Prospectus.*

**This does not include two Equity Shares held through two nominees, each nominee holding one Equity Share.*

***This does not include four Equity Shares held through four nominees, each nominee holding one Equity Share.*

None of the Equity Shares held by the Promoters are pledged.

(b) *Details of Promoters' contribution and lock-in for three years*:

Date of Acquisition and when made fully paid-up	Nature of Allotment/Transfer	Number of Equity Shares locked in	Nature of Consideration (Cash)	Face Value (Rs.)	Issue/Acquisition Price per Equity Share (Rs.)	Percentage of post-Issue paid-up fully diluted equity share capital*
Indian Oil						
January 22, 2008	Rights Issue	29,587,726	Cash	10.00	14.00	10.00
Oiltanking India						
January 22, 2008	Rights Issue	29,587,726	Cash	10.00	14.00	10.00
Total		59,175,452				20.00

**The fully diluted post issue equity share capital consists of 4,890,805 outstanding options.*

The minimum 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. The Promoters' contribution constituting not less than 20% of the fully diluted post-Issue paid-up equity share capital shall be locked-in for a period of three years from the date of Allotment in the Issue.

The Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 33 of the SEBI Regulations.

The Company has obtained specific written consent from the Promoters for inclusion of the Equity Shares held by them in the minimum Promoters' contribution subject to lock-in. Further, the Promoters have given an undertaking to the effect that they shall not sell/transfer/dispose of in any manner, Equity Shares forming part of the minimum Promoters' contribution from the date of filing the Draft Red Herring Prospectus till the date of commencement of lock-in in accordance with the SEBI Regulations.

(c) *Details of pre-Issue Equity Share capital locked-in for one year*:

In addition to the 20% of the fully post-Issue paid-up equity shareholding on a fully diluted basis of the Company held by the Promoters and locked-in for three years as specified above and other than 14,549,322 Equity Shares being offered by way of an Offer for Sale and 503,445 allotted to employees under the ESOP 2007 which are exempt from lock-in, the entire pre-Issue equity share capital of the Promoters aggregating to 158,560,936 Equity Shares will be locked-in for a period of one year from the date of Allotment of the Equity Shares in this Issue.

(d) *Other requirements in respect of lock-in*:

The Equity Shares held by the Promoters which are locked-in for a period of three years can be pledged only with any scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or institution. Provided that, such pledge can be created only if the loan has been granted by such scheduled commercial bank or public financial institution for financing one or more of the objects of the Issue and the pledge of the locked-in Equity Shares is one of the terms of sanction of the loan.

The Equity Shares held by the Promoters which are locked-in for a period of one year can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such bank or financial institution, provided that the pledge of the Equity Shares is one of the terms of sanction of the loan.

The Equity Shares held by the Promoters and locked-in may be transferred to and amongst the Promoter Group or to a new promoter or persons in control of the Company, subject to the continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

The Equity Shares held by persons other than the Promoters and locked-in for a period of one year from the date of Allotment in the Issue may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Code, as applicable.

(e) *Lock-in of Equity Shares to be issued, if any, to the Anchor Investor*

Any Equity Shares Allotted to Anchor Investors under 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 the proposed Issue and as adjusted for the Issue:

Category of Shareholders	No. of Share holder	Pre-Issue				Post-Issue				Shares pledged or otherwise encumbered	
		Total No. of Shares	No. of Equity Shares in demateria lised form	Total Shareholding as a % of total No. of Shares		Total No. of Shares	No. of Equity Shares in dematerialise d form	Total Shareholding as a % of total No. of Shares		Number of shares	As a % of Total No. of Shares
				As a % of (A+B)	As a % of (A+B+ C)			As a % of (A+B)	As a % of (A+B+C)		
(A) Shareholding of Promoter and Promoter Group*											
(1) Indian											
Individuals / Hindu Undivided Family	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Central Government/ State Governments	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corporate	1	116,142,855(1)	Nil	49.89	49.89	108,868,194	Nil	37.41	37.41	Nil	Nil
Financial Institutions/ Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub Total(1)	**1**	**116,142,855(1)**	**Nil**	**49.89**	**49.89**	**108,868,194**	**Nil**	**37.41**	**37.41**	**Nil**	**Nil**
(2) Foreign											
Individuals (Non-Resident Individuals/ Foreign Individuals)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corporate	1	116,142,855(2)	Nil	49.89	49.89	108,868,194	Nil	37.41	37.41	Nil	Nil
Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub Total(2)	**1**	**116,142,855(2)**	**Nil**	**49.89**	**49.89**	**108,868,194**	**Nil**	**37.41**	**37.41**	**Nil**	**Nil**
Total shareholding of Promoter and Promoter Group (1) + (2) (A)	**2**	**232,285,710**	**Nil**	**99.78**	**99.78**	**217,736,388**	**Nil**	**74.83**	**74.83**	**Nil**	**Nil**
(B) Public Shareholding											
(1) Institutions											
Mutual Funds / UTI	Nil	Nil	Nil	Nil	Nil						
Financial Institutions / Banks	Nil	Nil	Nil	Nil	Nil						
Central Government / State Government(s)	Nil	Nil	Nil	Nil	Nil						
Venture Capital Funds	Nil	Nil	Nil	Nil	Nil						
Insurance Companies	Nil	Nil	Nil	Nil	Nil						
Foreign Institutional	Nil	Nil	Nil	Nil	Nil						

Category of Shareholders	No. of Share holder	Pre-Issue				Post-Issue				Shares pledged or otherwise encumbered	
		Total No. of Shares	No. of Equity Shares in dematerialised form	Total Shareholding as a % of total No. of Shares		Total No. of Shares	No. of Equity Shares in dematerialised form	Total Shareholding as a % of total No. of Shares		Number of shares	As a % of Total No. of Shares
				As a % of (A+B)	As a % of (A+B+C)			As a % of (A+B)	As a % of (A+B+C)		
Investors											
Foreign Venture Capital Investors	Nil	Nil	Nil	Nil	Nil						
Any other (specify)	Nil	Nil	Nil	Nil	Nil						
Sub Total (1)	Nil	Nil	Nil	Nil	Nil						
(2) Non-Institutions	Nil	Nil	Nil	Nil	Nil						
Bodies Corporate	Nil	Nil	Nil	Nil	Nil						
Individuals											
Individual shareholders holding nominal share capital up to Rs. 1 lakh	6	45,240	45,240	0.02	0.02						
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	14	458,205	458,205	0.20	0.20						
Any Others (Specify)											
Non Resident Indians	Nil	Nil	Nil	Nil	Nil						
Trusts	Nil	Nil	Nil	Nil	Nil						
Clearing Members	Nil	Nil	Nil	Nil	Nil						
Overseas Corporate Bodies	Nil	Nil	Nil	Nil	Nil						
Foreign Corporate Bodies	Nil	Nil	Nil	Nil	Nil						
Foreign Nationals	Nil	Nil	Nil	Nil	Nil						
Sub Total (2)	20	503,445	503,445	0.22	0.22						
Total Public shareholding (1) + (2) (B)	20	503,445	503,445	0.22	0.22	73,250,067	73,250,067	25.17	25.17	Nil	Nil
Total (A)+(B)	22	232,789,155	503,445	100.00	100.00	290,986,455	73,250,067	100.00	100.00	Nil	Nil
(C) Shares held by Custodians and against which Depository Receipts have been issued	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Total (A)+(B)+(C)	22	232,789,155	503,445	100.00	100.00	290,986,455	73,250,067	100.00	100.00	Nil	Nil

[1] *Two Equity Shares held through two nominees, each nominee holding one Equity Share.*

(2) *Four Equity Shares held through four nominees, each nominee holding one Equity Share.*

4. The list of top 10 shareholders of the Company and the number of Equity Shares held by them is as under:

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

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage (%) (Pre-Issue)	No. of options held
1.	Indian Oil	116,142,853	49.89	Nil
2.	Oiltanking India	116,142,851	49.89	Nil
3.	Jayanta Bhuyan	110,001*	0.05	140,000
4.	G.S.K. Masud	85,125	0.04	35,000
5.	Jatin Mavani	46,801*	0.02	75,200
6.	M. Aiyaswamy	35,100	0.02	16,800
7.	Dr. Rentala Ravi Kumar	34,500	0.01	45,938
8.	Shambhu Nath Jha	25,750	0.01	70,000
9.	Sanjay Davar	23,700	0.01	33,600
10.	Arvind Murlidhar	19,500	0.01	Nil
	Total	**232,666,181**	**99.95**	**416,538**

* *One Equity Share held as a nominee*

(b) As of 10 days prior to the date of the Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage (%) (Pre-Issue)	No. of options held
1.	Indian Oil	116,142,853	49.89	Nil
2.	Oiltanking India	116,142,851	49.89	Nil
3.	Jayanta Bhuyan	110,001*	0.05	140,000
4.	G.S.K. Masud	85,125	0.04	35,000
5.	Jatin Mavani	46,801*	0.02	75,200
6.	M. Aiyaswamy	35,100	0.02	16,800
7.	Dr. Rentala Ravi Kumar	34,500	0.01	45,938
8.	Shambhu Nath Jha	25,750	0.01	70,000
9.	Sanjay Davar	23,700	0.01	33,600
10.	Arvind Murlidhar Uplenchwar	19,500	0.01	Nil
	Total	**232,666,181**	**99.95**	**416,538**

* *One Equity Share held as a nominee*

(c) As of two years prior to the date of the Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage (%) (Pre-Issue)	No. of options held
1.	Indian Oil	116,142,853	49.98	Nil
2.	Oiltanking India	116,142,851	49.98	Nil
3.	Arvind Murlidhar Uplenchwar	19,501*	0.01	42,000
4.	Sarthak Behuria	19,401*	0.01	56,000
5.	G.C. Daga	11,400	0.00	42,000
6.	P.K. Goyal	12,300	0.01	42,000
7.	Suresh Prakash	10,380	0.01	33,600
8.	Dinendra Nath Biswas	7,740	0.00	42,000

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage (%) (Pre-Issue)	No. of options held
9.	Jayanta Bhuyan	1*	0.00	250,000
10.	Jatin Mavani	1*	0.00	109,800
	Total	**232,366,428**	**100.00**	**617,400**

** One Equity Share held as a nominee*

5. **Employee Stock Option Plan ("ESOP")**

The Company instituted the Employee Stock Option Scheme 2007 (the "**ESOP 2007**") with effect from March 6, 2007 pursuant to Board and shareholders' resolutions dated March 6, 2007. The ESOP 2007 was amended on July 27, 2010 with effect from September 7, 2010 to ensure compliance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the "**ESOP Guidelines**"). The purpose of ESOP 2007 is to reward the employees for their past association and performance, motivate them to contribute to the growth and profitability of the Company and to attract and retain talent in the Company. All future grants to employees shall be made in accordance with the ESOP Guidelines.

The Company has granted 8,331,268 options under ESOP 2007 out of which 2,937,018 options have lapsed/cancelled. The balance 4,890,805 options are convertible into 4,890,805 Equity Shares, which represents 2.10% of the pre-Issue paid-up equity capital of the Company and 1.65% of the fully diluted post-Issue paid-up equity capital of the Company. The following table sets forth the particulars of the options granted under ESOP 2007 as of the date of filing of the Draft Red Herring Prospectus:

Particulars	Details for grant of ESOPs on March 6, 2007	Details for grant of ESOPs on August 25, 2010
Options granted	4,706,063	3,625,205
The pricing formula	Fair market value of the Company's equity shares as determined by an independent valuer on the date of grant	Fair market value of the Company's equity shares as determined by an independent valuer on the date of grant
Exercise price of options	Rs. 15	Rs. 20
Total options vested	925,750	1,308,006
Options exercised	503,445	Nil
Total number of Equity Shares that would arise as a result of full exercise of options already granted	1,265,600	3,625,205
Options forfeited/lapsed/cancelled	2,937,018	Nil
Variation in terms of options	Nil	Nil
Money realised by exercise of options	7,551,675	
Options outstanding (in force)	1,265,600	3,625,205
Person wise details of options granted to		
(i) Directors and key managerial employees	Please see Note 1 below	Please see Note 1 below
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Jayanta Bhuyan	Nil
(iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding	Nil	Nil

Particulars	Details for grant of ESOPs on March 6, 2007	Details for grant of ESOPs on August 25, 2010
warrants and conversions) of the Company at the time of grant		
Fully diluted EPS on a pre-Issue basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	EPS on a standalone basis for the year ending March 31, 2010 is Rs. 2.05 and EPS on a consolidated basis for the year ending March 31, 2010 is Rs. 4.11	N.A.
Difference between employee compensation cost using the instrinsic value method and the employee compensation cost that shall have been recognised if the Company has used fair value of options and impact of this difference on profits and EPS of the Company	Rs. 5.32 on standalone basis and Rs. 9.68 on consolidated basis	N.A.
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted-average of exercise prices is Rs. 15 and weighted-average of fair values of options is within the range of Rs. 4.43 per option to Rs. 4.83 per option as of March 31, 2010	Weighted-average of exercise prices is Rs. 20
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	The estimated fair value is computed on the basis of Black Scholes pricing model. The key assumptions used to estimate the fair value of options are that the risk free interest rate is 8.07%, expected life is 4 years, expected volatility is nil and expected dividend yield is nil	The estimated fair value is computed on the basis of Black Scholes pricing model. The key assumptions used to estimate the fair value of options are that the risk free interest rate is 8.07%, expected life is 4 years, expected volatility is nil and expected dividend yield is nil

Particulars	Details for grant of ESOPs on March 6, 2007	Details for grant of ESOPs on August 25, 2010
Vesting schedule	The loyalty options vest immediately upon grant and the growth options vest at the rate of 20% each year starting from the date of the grant (the first 20% vesting immediately upon grant). Also, please see Note 2.	The loyalty options vest immediately upon grant and the growth options vest at the rate of 20% each year starting from the date of the grant (the first 20% vesting immediately upon grant). Also, please see Note 2.
Lock-in	The shares are not subject to lock-in -period	The shares are not subject to lock-in -period
Impact on profits of the last three years	The options are issued at fair price and the premium is accounted in the share premium account. There is no difference in the fair price and the exercise price as the equity shares of the Company are not listed. Hence there is no impact on the profits and consequently on the EPS on account of the difference in fair price and the exercise price.	The options are issued at fair price and the premium is accounted in the share premium account. There is no difference in the fair price and the exercise price as the equity shares of the Company are not listed. Hence there is no impact on the profits and consequently on the EPS on account of the difference in fair price and the exercise price.
Intention of the holders of equity shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Issue	Nil	Nil
Intention to sell equity shares arising out of the exercise of shares granted under ESOP 2007 within three months after the listing of equity shares by directors, senior managerial personnel and employees amounting to more	Nil	Nil

Particulars	Details for grant of ESOPs on March 6, 2007	Details for grant of ESOPs on August 25, 2010
than 1% of the issued capital (excluding outstanding warrants and conversions)		

Note 1: Details regarding employee stock options granted to Directors and key management personnel under ESOP 2007 are set forth below:

Name of director/ key management personnel	Total No. of options granted	No. of options exercised	Total No. of options outstanding	No. of Equity Shares held
Jayanta Bhuyan	250,000	110,000	140,000	110,001#
Aart Willem Lokhorst	75,000	Nil	42,000	Nil
Ashutosh Kaushik	125,000	Nil	125,000	Nil
Jatin Mavani	122,000	46,800	75,200	46,801#
Ashok Kumar Saikia	82,570	Nil	82,570	Nil
Jathavedan Nampoothiri	79,763	8,940	70,823	8,940
Nawin Chandra	47,400	Nil	38,775*	Nil
Pradeep Bhatt	30,138	Nil	30,138	Nil
Ritesh Verma	36,424	Nil	36,424	Nil
Girjesh Shrivastava	Nil	Nil	Nil	Nil

* *The difference between ESOP granted and outstanding is on account of 8,625 options which got lapsed in March 2010*

\# *One Equity Share held as a nominee*

Note 2: The vesting schedule for all future grants shall be as follows:

Schedule	Percentage of the Options which shall vest	
	Loyalty	Growth
At the end of one year from the date of Grant	100% of the aggregate number of Options granted	20% of the aggregate number of Options granted
At the end of two years from the date of Grant	-	20% of the aggregate number of Options granted
At the end of three years from the date of Grant	-	20% of the aggregate number of Options granted
At the end of four years from the date of Grant	-	20% of the aggregate number of Options granted

6. The Company, the Selling Shareholders, the Directors and the BRLMs have not entered into any buy-back arrangement and/or safety net facility for the purchase of Equity Shares from any person.

7. Neither the BRLMs nor their associates hold any Equity Shares of the Company as on the date of filing this Draft Red Herring Prospectus.

8. The Company has not raised any bridge loans against the Issue Proceeds.

9. Except as stated in the section "Management" beginning on page 113 of this Draft Red Herring Prospectus, none of the Directors or key management personnel hold any Equity Shares in the Company.

10. None of the Promoters, directors of the Promoters, Promoter Group, the Directors and their immediate relatives have purchased or sold any Equity Shares during a period of six months preceding the date on

which this Draft Red Herring Prospectus is filed with SEBI other than the Equity Shares allotted by the Company under the ESOP 2007.

11. Other than the allotment of Equity Shares to the employees on exercise of the vested options, the Company has not made any issue of Equity Shares during a period of one year preceding the date of this Draft Red Herring Prospectus at a price lower than the Issue Price.

12. No person connected with the Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash, kind, services or otherwise, to any Bidder.

13. Not more than 50% of the Issue shall be allocated to QIBs on a proportionate basis. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation to Mutual Funds only and the remaining QIB Portion shall be available for allocation to the QIB Bidders including Mutual Funds subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price. Under-subscription, if any, in any of the categories would be allowed to be met with spill over from any other category at the discretion of the Company and the BRLMs, in consultation with the Designated Stock Exchange.

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

15. Except 4,890,805 stock options outstanding under the ESOP 2007, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares.

16. There will be no further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed.

17. 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) (excluding stock options granted in terms of ESOP 2007) whether on a preferential basis or issue of bonus or rights or further public issue of specified securities or qualified institutions placement or otherwise. However, if the Company enters into acquisitions, joint ventures or other arrangements, the Company 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. For further details, see the section "Issue Structure" beginning on page 345 of this Draft Red Herring Prospectus.

18. None of the Promoters, Promoter Group and the Group Companies will participate in the Fresh Issue.

19. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. The Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

20. The Company has 28 members including six nominee shareholders as of the date of filing of this Draft Red Herring Prospectus.

21. The Company has not issued any Equity Shares out of revaluation reserves. The Company has not issued any Equity Shares for consideration other than cash.

22. All Equity Shares will be fully paid-up at the time of Allotment failing which no Allotment shall be made.

23. There have been no financial arrangements whereby the Promoter Group, the Directors and their relatives have financed the purchase by any other person of securities of the Company, other than in the normal course of the business of the financing entity during a period of six months preceding the date of filing of this Draft Red Herring Prospectus.

OBJECTS OF THE ISSUE

The Issue comprises a Fresh Issue and an Offer for Sale.

Offer for Sale

The Company will not receive any proceeds from the Offer for Sale. Other than the listing fees which will be paid by the Company, all expenses with respect to the Issue will be shared between the Company and the Selling Shareholders on a proportionate basis in the ratio of Equity Shares issued by the Company in the Fresh Issue and the Equity Shares sold by the Selling Shareholders in the Offer for Sale.

Objects of the Fresh Issue

The Company intends to utilize the Net Proceeds for the following objects:

(a) Funding equity contribution or contribution in the form of shareholder loan in the Company's Subsidiary, IOT Utkal Energy Services Limited ("**IOT Utkal**") to part finance the development of the facilities for handling and storage of crude oil and finished products for Indian Oil on a BOOT basis at Paradip, Orissa ("**Paradip Refinery Storage Terminal**");

(b) To finance construction and development of the 220,000 kiloliter common user terminal at Raipur, Chattisgarh ("**Raipur Common User Terminal**"); and

(c) General corporate purposes.

The main objects clause of the Memorandum of Association enables the Company to undertake the existing activities and the activities for which the funds are being raised through this Issue.

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

(In Rs. Million)

	Amount
Gross Proceeds from the Fresh Issue	[●]
Issue related Expenses	[●]
Net Proceeds*	[●]

** To be finalised upon determination of the Issue Price*

Utilisation of Net Proceeds

The intended utilisation of the Net Proceeds is summarised in the table below:

(*In Rs. Million*)

Particulars	**Estimated Total Cost**	**Total Amount to be financed from the Net Proceeds**	**Expenditure incurred as of July 31, 2010 from internal accruals of the Company(2)**
Paradip Refinery Storage Terminal	29,764.20*	2,453.20	787.50
Raipur Common User Terminal	3,422.00	3,422.00	42.02
General corporate purposes(1)	[●]	[●]	-
Total	[●]	[●]	829.52

** includes equity participation by the other JV partners and the proceeds from issue of compulsorily convertible debentures of IOT Utkal to Tata Capital Limited and L&T Infrastructure Finance Company Limited*

(1) *The amount to be deployed towards general corporate purposes will be decided after finalisation of Issue Price*

(2) *As certified by Lodha & Co., Chartered Accountants pursuant to a certificate dated September 4, 2010*

Any expenditure already incurred towards the objects mentioned above will be recovered from the Net Proceeds.

Deployment of Net Proceeds

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

(*In Rs. Million*)

Project/ Activity	Fiscal 2011	Fiscal 2012	Fiscal 2013	Total
Equity / debt contribution in IOT Utkal	1,083.79	1,205.60	163.81	2,453.20
Raipur Common User Terminal	60.00	1,782.53	1,579.47	3,422.00
General corporate purposes[1]	[•]	[•]	[•]	[•]
Total	[•]	[•]	[•]	[•]

[1] *The amount to be deployed towards general corporate purposes will be decided after finalisation of the Issue Price.*

The management of the Company, in accordance with the policies set up by the Board, will have flexibility in deploying the Net Proceeds, as well as the discretion to revise its business plan from time to time and consequently the funding requirement and deployment of funds may also change. This may include rescheduling the proposed utilisation of Net Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilisation of Net Proceeds. In the event of significant variations in the proposed utilisation, approval of the shareholders of the Company shall be duly sought. In case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue, including the funds available for general corporate purposes. If such surplus funds are unavailable, the required financing will be met through internal accruals and/or debt. The Company believes that such alternative arrangements would be available to fund any such shortfall. In the event any surplus funds remain from the Net Proceeds after meeting all the aforesaid objectives, such surplus proceeds will be used for general corporate purposes including for meeting future growth opportunities.

Objects of the Issue and Funding Arrangement

1. Paradip Refinery Storage Terminal

The Company proposes to deploy a portion of the Net Proceeds towards funding equity contribution and contribution in the form of shareholder loan in its Subsidiary, IOT Utkal to part finance the development of the facilities for handling and storage of crude oil and finished products for Indian Oil on a BOOT basis at Paradip. The Company has not decided the amount to be invested through equity contribution and in the form of shareholder loan as of the date of the filing of this Draft Red Herring Prospectus.

The equity contribution of the Net Proceeds in IOT Utkal may not have assured dividends. Further, the rate of interest on such contribution in the form of shareholder loan shall not be less than 6% p.a. in accordance with the terms and conditions of the shareholders loan prescribed under the shareholders agreement dated December 3, 2009.

The Company is expected to receive benefit in the form of dividend to be paid by IOT Utkal once the Paradip Refinery Storage Terminal is commissioned and operational as well as to obtain EPC contracts and O&M contracts.

For further details on the Paradip Refinery Storage Terminal, see "Business" on page 73 of this Draft Red Herring Prospectus.

Funding Arrangement

The total funds required for the Paradip Refinery Storage Terminal are approximately Rs. 29,764.2 Million. 75% of the stated means of finance, excluding funds to be raised through the Issue have been arranged as follows:

Sr. No.	Particulars	In Rs. Million
1.	Aggregate funds required for the Paradip Refinery Storage Terminal	29,764.20

Sr. No.	Particulars	In Rs. Million
2.	Funding through the proceeds of the Issue[(1)]	2,453.20
3.	Funds required excluding the Issue proceeds	27,311.00
Arrangements regarding 75% of the funds required excluding the Net Proceeds		
1.	Funded through equity participation by other JV partners	1,782.50
2.	Funded through third party debt	
	Loan Agreements	23,528.50
	Issue of compulsorily convertible debentures[(2)]	2,000.00
	Total Debt	25,528.50
	Grand Total	**27,311.00**

[(1)] *Out of the total project cost, the Company is required to contribute Rs. 2,453.20 Million in the form of equity participation or as contribution in the form of shareholder loan in the Subsidiary.*
[(2)] *Issue of compulsorily convertible debentures of IOT Utkal of face value Rs. 10 each to Tata Capital Limited and L&T Infrastructure Finance Company Limited pursuant to Subscription Agreement dated July 6, 2010 between IOT Utkal, Tata Capital Limited, L&T Infrastructure Finance Company Limited, IVRCL Assets & Holdings Limited, IVRCL Infrastructure & Projects Limited and the Company.*

Following are the limits sanctioned pursuant to the facility agreement dated February 10, 2010 among IOT Utkal, the senior rupee lenders (as listed below), the subordinate rupee lenders (as listed below) and State Bank of India as the facility agent:

Senior rupee lenders

(*In Rs. Million*)

Sr. No.	Senior Rupee Lender	Senior Rupee Commitment/Individual Senior Facility
1	State Bank of India	4,000.00
2	Bank of Baroda	2,000.00
3	Andhra Bank	2,000.00
4	Indian Overseas Bank	1,900.00
5	Bank of India	1,500.00
6	UCO Bank	1,500.00
7	Indian Bank	1,300.00
8	Union Bank of India	1,187.40
9	Canara Bank	1,150.00
10	Oriental Bank of Commerce	1,150.00
11	Corporation Bank	900.00
12	Dena Bank	500.00
13	State Bank of Travancore	500.00
14	Vijaya Bank	500.00
15	The Jammu and Kashmir Bank	300.00
16	Bank of Maharashtra	200.00
	TOTAL	**20,587.40**

Subordinate rupee lenders

(*In Rs. Million*)

Sr. No.	Senior Rupee Lender	Subordinate Rupee Commitment/Individual Subordinate Facility
1	State Bank of India	2,641.10
2	Andhra Bank	300.00
	TOTAL	**2,941.10**

IOT Utkal has made arrangements for 75% of the total fund requirements for the Paradip Refinery Storage Terminal, excluding the Net Proceeds.

The breakdown of the project cost for the Paradip Refinery Storage Terminal is set out below:

Particulars	In Rs. Million
Land and site development	2,181.90
Building, civil works, engineering, procurement and construction cost	23,816.50
Preliminary and pre-operative expenses	30.00
Interest during construction period and financing costs	2,379.80
Contingency	1,356.00
Total Cost	29,764.20

Land and site development

The cost for land and site development is estimated at Rs. 2,181.90 Million. For the purpose of this project, Indian Oil has by a letter dated August 17, 2010, allowed IOT Utkal to use land measuring approximately 1,631,697 square meters for 15 years from the date of successful mechanical completion of the entire facilities.

Building, civil works, engineering, procurement and construction cost

This head includes cost of building, civil works and plant and machinery.

Primarily civil works and infrastructure includes expenditure of independent systems such as roads, drains, fencing and boundary wall.

The complete plant and machinery is proposed to be procured through a turnkey EPC contract. The EPC contracts would comprise of civil works contracts with IVRCL which includes foundations, buildings, general civil works. The plant and machinery portion will be carried out by the Company through its EPC SBU which includes tankages, pipelines, equipments and packages, automation and control systems, electrical systems along with detailed engineering, procurement, erection, commissioning of facilities.

Preliminary and Pre-operative expenses

Preliminary expenses broadly include pre-operative cost which includes SPV formation costs and other pre-operative expenses.

Interest during construction period and financing costs

Interest during construction period includes interest payable on debt incurred for the project. This has been calculated based on the capital expenditure phasing schedule estimated. This also includes financing cost such as upfront fees payable to the lenders and fees payable to the syndications for arrangement of debt.

Contingency

Provision for contingency has been provided at about 5% of the total project costs. It includes contingency on account of additional interest during construction period, if Indian Oil exercise their right to postpone the date of commissioning by up to six months as per the contractual terms.

Implementation schedule of the Paradip Refinery Storage Terminal

Sr. No.	Particulars	Estimated Date of Completion /Status
1.	Technical and engineering work	November 2010
2.	Civil works including building roads	August 2011
3.	Procurement of material	September 2011

4.	Erection and installation work	December 2011
5.	Testing and pre-commissioning	December 2011

The Company expects the project to be operational by January 2012.

2. Construction and development of the 220,000 kiloliter common user terminal at Raipur ("Raipur Common User Terminal")

For further details on the Raipur Common User Terminal, see "Business" on page 73 of this Draft Red Herring Prospectus.

Break up of costs

The details of the break-up of the cost for Raipur Common User Terminal are set forth below:

(In Rs. Million)

S. No.	Particulars	Total estimated project cost#	Amount deployed as at July 31, 2010 from internal accruals of the Company##
1.	Land cost and site development	475.44	36.59
2.	Building and other civil works including railway siding	2,625.26	-
3.	Preliminary and pre-operative expenses	10.00	5.43
4.	Contingency	311.30	
	Total Cost	**3,422.00**	42.02

 # Management estimates based on the Quantity Estimate prepared by IOT Design & Engineering Limited dated August 20, 2010
As certified by Lodha & Co., Chartered Accountants pursuant to a certificate dated September 4, 2010.

Means of Finance

The Raipur Common User Terminal is proposed to be funded from the Net Proceeds.

Land and site development

The cost for acquiring the land and site development is estimated at Rs. 475.44 Million. The Company has acquired land at Raipur measuring 82.1 acres for a cost of Rs. 36.60 Million. The Company may acquire additional land measuring approximately 30 acres for an estimated cost of Rs. 14.70 Million**.**

Building and other civil works including railway siding

This head includes cost of designing and engineering, cost of building, other civil works including railway sidings, oil tankages, pumps and machineries, piping, fire protection system, electrical system, instrumentation and automation, EPC management and statutory approvals.

The complete plant and machinery is proposed to be executed through the EPC Business of the Company.

Preliminary and pre-operative expenses

Preliminary and pre-operative expenses include advisors' fees, costs relating to recruiting employees and labourers, travelling costs, costs relating to site supervision, security charges, and lease rent payable on land.

Contingency

Provision for contingency has been provided at about 10% of the total project costs. It includes contingency on account of quantity variations and price escalation for steel, copper and zinc.

Implementation schedule of the Raipur Common User terminal

Sr. No.	Particulars	Estimated Date of Completion /Status
1.	Land and site development	December 2011
2.	Technical and engineering work	October 2011
3.	Civil work	September 2012
4.	Installation of equipment including tankage automation etc.	January 2013
5.	Commissioning	March 2013

The Company expects the project to be operational by April 1, 2013.

Manpower

For details of the employees of the Company, see section "Business" beginning on page 73 of this Draft Red Herring Prospectus.

Government and Environmental Clearances

The Company has obtained certain of the required government and environmental clearances for the aforesaid projects. The Company is in the process of the obtaining the balance or may apply for the same based on the stage of development. For more details, see section "Government and Other Statutory Approvals" beginning on page 329 of this Draft Red Herring Prospectus.

3. General Corporate Purposes

The Net Proceeds will be first utilised towards the aforesaid items and the balance is proposed to be utilised for general corporate purposes including but not restricted to strategic initiatives, partnerships, joint ventures and acquisitions, meeting exigencies, which the Company in the ordinary course of business may face, or any other purposes as approved by the Board.

Issue Expenses

The estimated Issue related expenses are as follows:

(*In Rs. Million*)

Particulars	Amounts*	As % of total expenses	As a percentage of Issue Size
Lead merchant bankers (including, underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Registrars to the Issue	[●]	[●]	[●]
Advisors	[●]	[●]	[●]
Bankers to the Issue	[●]	[●]	[●]
Others:			
- Printing and stationery	[●]	[●]	[●]
- Listing fees	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- IPO Grading fees	[●]	[●]	[●]
- Others	[●]	[●]	[●]
Total Estimated Issue Expenses	[●]	[●]	[●]

**Will be incorporated after finalisation of Issue Price*

Sources and Deployment of funds:

M/s Lodha & Co, Chartered Accountant (Membership No. – 44101) has certified vide its certificate dated September 4, 2010, that the sources and deployment of funds upto July 31, 2010 towards the following projects are as under:

(Rs. in Million)

Sr. No.	Particulars	Amount
1.	Investment in 78,750,000 shares of Rs. 10 each in IOT Utkal Energy Services Limited (subsidiary) for undertaking the Paradip Refinery Storage Terminal	787.50
2.	Construction and development of the 2,20,000 kiloliter Raipur Common User Terminal:	
	a) Acquisition of leasehold land	13.01
	b) Acquisition of freehold land	23.58
	c) Pre-operative expenses:	
	- Travel expenses 2.49	
	- Lease rent 0.91	
	- Professional & consultancy 1.35	
	- Other expenses 0.68	5.43
	TOTAL	**829.52**

The amount deployed for the above project upto July 31, 2010 has been funded out of the internal accruals.

Bridge Financing Facilities

The Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus.

Interim use of Net Proceeds

The Company, in accordance with the policies formulated by its Board from time to time, will have flexibility in deploying the Net Proceeds received from the Issue. The particular composition, timing and schedule of deployment of the Net Proceeds will be determined by the Company based on the development of the projects. Pending utilisation of the Net Proceeds for the purposes described above, the Company intends to temporarily invest the funds in interest bearing liquid instruments including deposits with banks and investments in money market mutual funds and other financial products, temporarily deploy the funds in working capital loan accounts and investment grade interest bearing securities as may be approved by the Board.

Monitoring of Utilisation of Funds

The Company will appoint a monitoring agency to monitor the use of Net Proceeds prior to filing the Red Herring Prospectus with SEBI. The Board of Directors and [●] will monitor the utilization of the Net Proceeds. The Company will disclose the utilization of the Net Proceeds under a separate head along with details, for all such proceeds that have not been utilized. The Company will indicate investments, if any, of unutilized proceeds of the Net Proceeds in the 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 its Audit Committee the uses and applications of the Net Proceeds. On an annual basis, the Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of the Company. Furthermore, in accordance with clause 43A of the Listing Agreement, the Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including material deviations if any, in the utilisation of the Net Proceeds from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

No part of the Issue proceeds (except the proceeds from the Offer for Sale) will be paid by the Company as consideration to Promoters, the Directors, the Company's key management personnel or the Group Companies, except in the ordinary course of business.

BASIS FOR ISSUE PRICE

The Issue Price of Rs. [●] has been determined by the Company and the Selling Shareholders in consultation with the BRLMs, on the basis of assessment of market demand from the investors for the offered Equity Shares by way of Book Building process. The face value of the equity shares is Rs. 10 and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to "Risk Factors" and "Financial Statements" beginning on pages xv and 187 of this Draft Red Herring Prospectus. The financial data presented in this section are based on the Company's financial statements, as restated.

Qualitative Factors

- A complementary portfolio of businesses focused on the oil and gas sector
- Strong, stable entrepreneurial management team
- Proven capabilities
- Renowned Promoters with a shared vision for the growth of the business
- Strong domestic presence with growing international operations
- Strong growth, sound financial profile and a healthy order book
- Access to advance technology, research and development and know-how

For further details, see the section "Business" beginning on page 73 of this Draft Red Herring Prospectus.

Quantitative Factors

Information presented in this section is derived from our Unconsolidated and Consolidated Restated Financial Statements prepared in accordance with Indian GAAP. For more details, refer to the section "Financial Statements" beginning on page 187 of this Draft Red Herring Prospectus.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

1. EARNING PER SHARE (EPS)

As per our restated Unconsolidated Summary Statements:

Year ended	Basic & Diluted EPS (in Rs.)	Weight
March 31, 2010	2.05	3
March 31, 2009	1.95	2
March 31, 2008	2.11	1
Weighted Average	2.03	

As per our restated Consolidated Summary Statements:

Year ended	Basic & Diluted EPS (in Rs.)	Weight
March 31, 2010	4.40	3
March 31, 2009	3.86	2
March 31, 2008	2.92	1
Weighted Average	3.97	

(1) Earning per share represents basic earnings per share calculated as net profit attributable to equity shareholders as restated divided by a weighted average number of shares outstanding at the end of the year.
(2) Face value per share is Rs. 10

Note:

a) The earning per share has been computed on the basis of the restated profits and losses of the respective years.

b) The denominator considered for the purpose of calculating earnings per share is the weighted average number of Equity Shares outstanding at the end of the year.
c) EPS calculations have been done in accordance with Accounting Standard 20-"Earning per share" issued by the Institute of Chartered Accountants of India.

2. RETURN ON NET WORTH:

Return on Net Worth as Per Restated Unconsolidated Financial Statements

Year ended	RONW (%)	Weight
March 31, 2010	10.07%	3
March 31, 2009	10.69%	2
March 31, 2008	9.05%	1
Weighted Average	10.11%	

Return on Net Worth as Per Restated Consolidated Financial Statements

Year ended	RONW (%)	Weight
March 31, 2010	17.81%	3
March 31, 2009	17.96%	2
March 31, 2008	12.00%	1
Weighted Average	16.89%	

3. NET ASSET VALUE PER EQUITY SHARE:

a. As of March 31, 2010 (Consolidated) : Rs. 24.68
b. As of March 31, 2010 (Standalone) : Rs. 20.32

4. COMPARISON OF ACCOUNTING RATIOS:

Name of the Company	Face Value per equity share (Rs.)	EPS (Rs.)	P/E	Return on Net Worth (%)	Book Value per Share
		(For the year ended March 31, 2010)			
IOT Infrastructure & Energy Services Limited [(1)]	10	4.40		17.81	24.69
Peer Group [(2)]					
BGR	10	27.9	28.8	22.29	97.6
Engineers India	5	9.6	34.2	34.99	33.1
Punj Lloyd	2	11	9.8	11.9	107.6
L&T	2	53	34.6	21.58	302.3
Peer Group Average			**26.85**		

(1) As per restated consolidated financial information
(2) Source: Capital Markets Online accessed on September 2, 2010

Since the Issue is being made through the 100% Book Building Process, the Issue Price will be determined on the basis of investor demand.

The Issue Price of Rs. [●] has been determined by the Company and the Selling Shareholders, in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares through the Book-Building Process and is justified based on the above quantitative and qualitative factors. For further details, see the section "Risk Factors" beginning on page xv of this Draft Red Herring Prospectus and the financials of the Company including important profitability and return ratios, as set out in the section "Financial Statements" beginning on page 187 of this Draft Red Herring Prospectus to have a more informed view. The trading price of the Equity Shares of the Company could decline due to the factors mentioned in the section "Risk Factors" beginning on page xv of this Draft Red Herring Prospectus and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

To
The Board of Directors,
IOT Infrastructure & Energy Services Limited
103, Spectra
Hiranandani Business Park, Powai
Mumbai – 400 076
India

Dear Sirs,

Sub: STATEMENT OF TAX BENEFITS

We hereby report that the enclosed statement states the possible tax benefits available to IOT Infrastructure & Energy Services Limited ('IOT Infrastructure & Energy Services Limited' or 'Company') and to its shareholders under the Income Tax Act, 1961 and the Wealth Tax Act, 1957, presently in force in India. The benefits outlined in the statement will be dependent upon 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.

The benefits discussed in the enclosed statement are not exhaustive nor are they conclusive. The preparation of the contents stated is the responsibility of the Company's management. This statement is only intended to provide general information and to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Further, we have also incorporated the amendments brought out by the Finance Act, 2010, where applicable.

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

i. the Company is currently availing any of these benefits or will avail these benefits in future; or
ii. the Company's share holders will avail these benefits in future; or
iii. the conditions prescribed for availing the benefits have been / would be met with.

This report is intended solely for your information and for the 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
Firm Reg. No. 301051E

Place: Mumbai
Date: September 7, 2010

Annexure

IOT Infrastructure & Energy Services Limited

Statement of Tax Benefits

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

SPECIAL TAX BENEFITS:

"As per the existing provisions of the Act as applicable for the time being in force, the Company and its share holders will not be entitled to any special Tax Benefit under the Act."

GENERAL TAX BENEFITS:

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. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:

   a) 20 percent (plus applicable surcharge, education cess and secondary and higher education cess) of the capital gains as computed after indexation of the cost.

   Or

   b) 10 percent (plus applicable surcharge, education cess and secondary and higher education cess) of the capital gains as computed without indexation.

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.

6. While calculating dividend distribution tax as per provision of Section 115-O, the reduction shall be allowed in respect of the dividend received by a domestic company from a subsidiary company during the financial year provided the subsidiary company has paid tax on such dividend and the domestic company, is not a subsidiary of any other company. It is further provided that same amount of dividend shall not be taken into the reduction more than once. For this purpose a company shall be subsidiary of another company, if such other company holds more than half in nominal value of the equity share capital of another company.

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

1. To the Company

1.1. 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, Company is eligible for a weighted deduction of a sum equal to two 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 three-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; and
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

1.2. 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.

1.3. 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. 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. Benefit under Section 90(2)of the Act, the Non Resident Indian shareholder has an option to be governed by the provisions of the tax treaty, if they were beneficial than the domestic law wherever India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant country.

ii. Under Section 115Eof the Act, where the total income of a non-resident Indian includes any income from investment or income from capital gains of an asset other than a specified asset, such income shall be taxed at a concessional rate of 20 per cent (plus applicable surcharge, education cess and secondary and higher education cess). Also, where shares in the Company are subscribed for in convertible foreign exchange by a Non-Resident India, long term capital gains arising to the non-resident Indian shall be taxed at a concessional rate of 10 percent (plus applicable surcharge, education cess and secondary and higher education cess). The benefit of indexation of cost and the protection against risk of foreign exchange fluctuation would not be available.

iii. 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.

iv. Under Section 115 H of the Act, where Non Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under Section 139 of the IT Act, declaring therein that the provisions of Chapter XII – A shall continue to apply to him in relation to such investment income derived from the specified assets for the year and subsequent assessment years until such assets are converted into money.

v. 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.

vi. 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

As per the provisions of section 10(23FB) of the Act, any income of Venture Capital Companies/ Funds (set up to raise funds for investment in a venture capital undertaking registered and notified in this behalf) registered with the Securities and Exchange Board of India, would be exempt from income tax, subject to the conditions specified therein. However, the exemption is restricted to the Venture Capital Company and Venture Capital Fund set up to raise funds for investment in a Venture Capital Undertaking, which is engaged in the business as specified under section 10(23FB)(c). However, the income distributed by the Venture Capital Companies/ Funds to its investors would be taxable in the hands of the recipients.

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.

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.

INDUSTRY

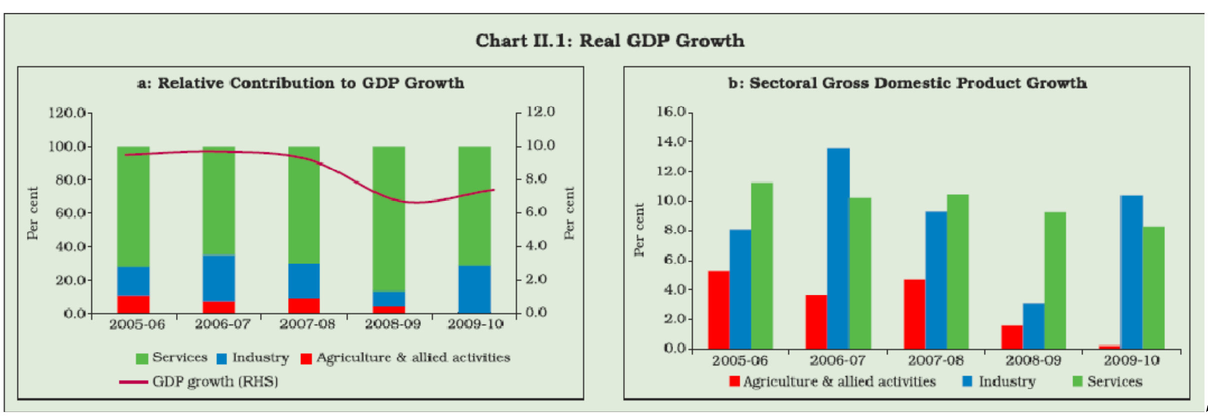
Unless otherwise indicated, the information in this section is derived from a combination of various publicly available materials and sources of information, including the CRISIL Limited ("CRISIL"), the Ministry of Power, the Ministry of Petroleum and Natural Gas, the Ministry of Railways, the Planning Commission of India, Reserve Bank of India ("RBI"), International Energy Outlook, July 2009, MNRE and the Central Electricity Authority ("CEA"). It has not been independently verified by the Company and Book Running Lead Managers or their respective affiliates, their legal or financial advisors, and no representation is made as to the accuracy of this information, which may be inconsistent with information available or compiled from other sources. Certain financial and other numerical amounts specified in this section have been subject to rounding adjustments; figures shown as totals may not be the arithmetic aggregation of the figures which precede them. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness, underlying assumptions and reliability cannot be assured. Accordingly, investment decisions should not be based on such information. Industry sources and publications are also prepared based on information as on specific dates and may no longer be current.

CRISIL Research, a division of CRISIL has used due care and caution in preparing the report that was used as a basis for the preparation of this section. Information has been obtained by CRISIL from sources which it considers reliable. However, CRISIL 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. No part of CRISIL's report used as a basis for the information in this section may be published/reproduced in any form without CRISIL's prior written approval. CRISIL is not liable for investment decisions which may be based on the views expressed in the said report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Rating Division, which may, in its regular operations, obtain information of a confidential nature that is not available to CRISIL Research.

Overview of the Indian Economy

The Indian economy exhibited broad based recovery in the second half of 2009-2010 from the slowdown that had started in the second half of 2008-2009. Despite deficient monsoon and the fragile global recovery, real GDP growth showed a turnaround from 6.7% in 2008-2009 to 7.4% in 2009-2010, one of the highest in the world. In relation to the pre-global crisis high growth phase of 8.9% recorded during 2003-2008, however, it suggests there is scope for further acceleration.

A strong recovery in the industrial sector combined with a resilient services sector muted the impact of a deficient South-West monsoon on overall output. The contribution of the industrial sector to the overall growth increased sharply from 9.5% in 2008-2009 to 28.0% in 2009-2010. (***Source: RBI, 2009-2010 Annual Report***)



Source: RBI

India's ability to recover from the global slowdown and its own domestic liquidity crunch has been driven by the country's large domestic savings including corporate retained earnings and private consumption. Further, the

Government's fiscal policies and the monetary policies of the RBI have also played an important role in the revival of economic growth. In particular, the Government as part of its fiscal stimulus package took the following initiatives to promote consumption in the economy:

- increased Government expenditure especially on infrastructure; and
- reduced taxes to spur consumption.

Investment in India remained relatively stable despite the global slowdown and has been growing at a rate higher than that of GDP. There has been an upward trend in the growth of private investment. The recovery was broad based with mining and quarrying, manufacturing, and electricity, gas and water supply recording impressive growth rates. (***Source: Ministry of Finance***)

Given the outlook for the global economy at present and the expected accrual of benefits from the various monetary and fiscal stimulus packages of the Government, RBI expects the Indian economy to grow at 8.75% in 2010-2011 while IMF predicts the Indian economy to expand by 9.4% in 2010 and 8.4% in 2011. This growth would be aided by the increased availability of finance in the form of foreign capital inflows following reduced risk averseness across the globe.

Overview of the Oil and Gas Industry

Global Oil and Gas Industry

Between 1998 and 2008, world crude oil output registered a CAGR of 1.0%, from 73.6 Million bpd to 81.8 Million bpd. However, production fell in North America at a CAGR of 1.99%, from 14.2 Million bpd in 1998 to 13.1 Million bpd. In 2008, world crude oil production rose due to an increase in production by Africa which witnessed an increase of 3.0% over the previous year.

Between 1998 and 2008, global crude oil consumption increased at a CAGR of 1.0%, from 73.9 Million bpd in 1998 to 84.5 Million bpd in 2008. Crude oil consumption largely depends on the level of economic activity. Between 1998 and 2008, consumption increased across all regions, but most strongly in Asia-Pacific, Africa and the Middle East. Asia-Pacific achieved a growth rate of 3.0% in crude oil consumption because the economies in this region grew at a rate higher than that of the rest of the world.

Long-term projects, mainly in the setting up of new refinery capacities and investments in petrochemicals, are expected to keep consumption of crude oil strong. However, in developed economies of North America Europe and Eurasia, consumption appears to have stagnated, and may even be contracting.

North America, the world's largest crude oil consuming region, accounted for about 28.1% of world crude oil consumption in 2008, with the United States accounting for 22.5% Asia-Pacific, Europe and Africa accounted for 30.0%, 23.9% and 3.4% of world crude oil consumption, respectively. In Asia-Pacific, China is the largest consumer. The share of China in world crude oil consumption increased from 5.7% in 1998 to 9.6% in 2008. It is closely followed by Japan, whose share in the total consumption has declined significantly from around 7.5% in 1998 to 5.6% in 2008 on account of the slowdown in the Japanese economy. (***Source: CRISIL Research***)

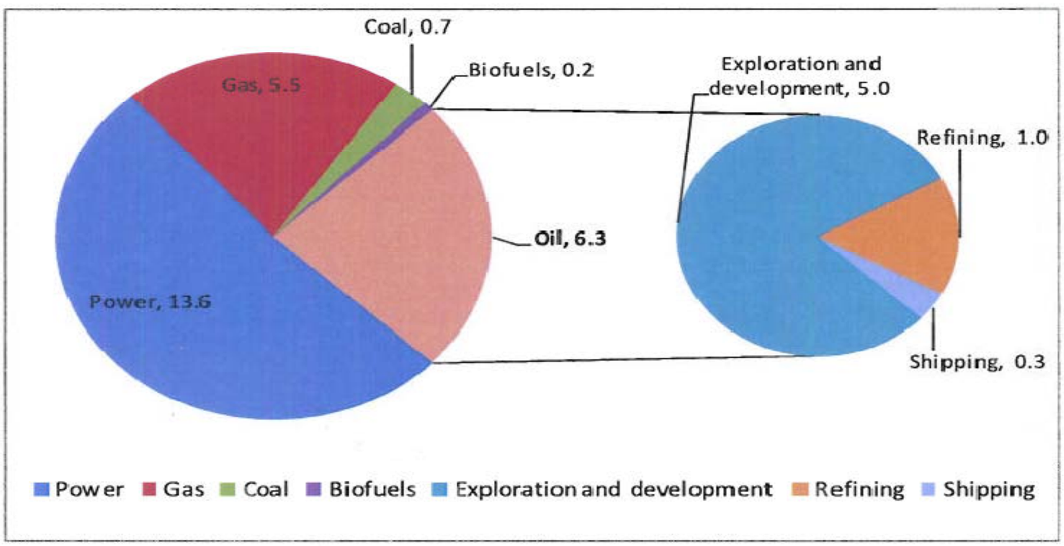
Average oil prices increased strongly from 2003 to mid-July 2008, when prices collapsed as a result of concerns about the deepening recession. In 2009, oil prices trended upward throughout the year, from about US$42 per barrel in January to US$74 per barrel in December 2009. Oil prices have been especially sensitive to demand expectations, with producers, consumers, and traders continually looking for an indication of possible recovery in world economic growth and a likely corresponding increase in oil demand. On the supply side, OPEC's above average compliance to the agreed upon production targets increased its spare capacity to approximately five Million barrels per day in 2009. Further, many of the non-OPEC projects that were delayed during the price slump in the second half of 2008 have not yet been revived. (***Source: International Energy Outlook, July 2010 ("IEA 2010")***).

According to the IEA 2010, demand for liquid fuels and other petroleum products which include petroleum-derived fuels and non-petroleum-derived fuels, such as ethanol and biodiesel, coal-to-liquids, gas-to-liquids, natural gas liquids, crude oil consumed as fuel, and liquid hydrogen is projected to increase from 86.1 Million barrels per day ("bbl/d") in 2007 to 110.6 Million bbl/d in 2035, a growth of 28.46%. Liquids are expected to remain the world's dominant energy source between 2007 and 2035, given their importance in the transportation and industrial end-use sectors.

Natural gas, accounting for 24.0% of the total global primary energy supply, is the third largest contributor to the global energy basket. The consumption is expected to increase from 108 trillion cubic feet in 2007 to 156 trillion cubic feet, a growth of 44.44%. World natural gas trade, both by pipeline and by shipment in the form of liquefied natural gas (**"LNG"**), is poised to increase in the future. Most of the projected increase in LNG supply comes from the Middle East and Australia, where a number of new liquefaction projects are expected to become operational within the next decade. The world liquefaction capacity is expected to increase 2.4-fold, from about 8 trillion cubic feet in 2007 to 19 trillion cubic feet in 2035. In addition, new pipelines currently under construction or planned will increase natural gas exports from Africa to European markets and from Eurasia to China. (***Source: International Energy Outlook, July 2010***)

Global investment in energy industry

Global cumulative investment in energy-supply infrastructure in US$ trillion (2007-2030)



Note: Total investment = US$26.3 trillion (in year-2007 dollars)
Source: World Energy Outlook, 2008

The International Energy Agency estimates that more than US$26.3 trillion in year 2007 dollars needs to be invested in energy-supply infrastructure worldwide over the three decades to 2030.

For the energy sector as a whole, 51.7% of investment approximating US$13.6 trillion in production is estimated to be made to replace existing and future capacity. Oil and gas sector investments total US$11.8 trillion. Almost half of total energy investment is estimated to take place in developing countries, where production and demand are expected to increase most.

Huge inflows of capital are needed to expand supply capacity to meet rising demand, as well as to replace existing and future supply facilities that will be retired during the projection period. Just over half of projected global energy investment is focussed towards maintaining the current level of supply capacity: much of the world's current production capacity for oil, gas, coal and electricity will need to be replaced by 2030. In addition, some of the new production capacity brought on stream in the early years of the projection period will need to be replaced before 2030. Many power plants, electricity and gas transmission and distribution facilities, and oil refineries will also need to be replaced or refurbished. (***Source: CRISIL Research***)

Oil and Gas Industry in Asia- Pacific

Demand for petroleum products in Asia Pacific region is estimated to be around 25 to 27 Million bbl/d or the equivalent of 1.2-1.3 billion tonnes per year in the year 2010. China with a demand of around 9 Million bbl/d or the equivalent of 447 Million tonnes per year and Japan at 5.2 Million bbl/d or the equivalent of 260 Million tonnes per year are expected to dominate future demand for energy products. However, the refining capacity in the Asia Pacific region is expected to increase from the current 21.9 Million bbl/d or the equivalent of 1.09 billion tonnes per year up to a maximum of 25 Million bbl/d in the year 2010. The export potential coupled with the additional capacity additions and new refineries provide a unique opportunity for potential investors. The opportunity exists in the form of investment in capacity additions to the existing refineries and forming consortium with private and public oil companies to set up new refineries. This, in turn, presents huge opportunities for EPC players in the oil and gas sector. (***Source: CRISIL Research***)

Oil and Gas Industry in Oman

Oman's economy is heavily reliant on oil exports for revenue, though diversification into natural gas production has mitigated this to a degree. Roughly two-thirds of Oman's total energy consumption comes from natural gas and the remainder comes from oil, reflecting the country's relative abundance of oil and natural gas reserves. Oman's future domestic energy consumption plans call for increased use of natural gas in energy generation in order to free up more oil for export.

Oman's oil production increased slightly in 2008, after a fairly constant state of decline from the total oil liquids peak of 970,000 bbl/d in 2000. Oman produced an estimated 760,000 bbl/d of total oil liquids in 2008, about 6.0% more than 2007 levels. Of 2008's output, roughly 669,000 bbl/d was crude oil, 88,000 bbl/d was lease condensate, and the remainder consisted of natural gas plant liquids. EIA forecasts Omani oil production to remain near 2008 levels through 2010, as increased production through Enhanced Oil Recovery projects roughly matches declining production in maturing fields. (***Source: CRISIL Research***)

Oil and gas Industry in Indonesia

According to Oil & Gas Journal ("**OGJ**"), Indonesia had 3.9 billion barrels of proven oil reserves as of January 2010, the same as last year. Oil production in Indonesia has decreased steadily during the last decade, owing to disappointing exploration efforts and declining production at Indonesia's large, mature oil fields. During 2008, Indonesian oil production averaged 1.1 Million bbl/d, of which 81.0%, or 856,000 bbl/d, was crude oil. Indonesia's total oil production has dropped by 35.0% since 1998, as many of the country's largest oil fields continue to decline in output. Because Indonesia's declining production struggled to meet its OPEC crude oil output quota, the country left the organization in 2008. During 2008, Indonesia's oil consumption reached 1.2 Million bbl/d, making it a net importer of oil for the year. (***Source: CRISIL Research***)

Oil and Gas Industry in India

Crude oil and Natural Gas production

Domestic crude oil production remained stagnant at around 31-34 Million tonnes between 1997-1998 and 2008-2009 due to the lack of any significant oil discoveries. ONGC, the leading player in crude oil production in India, is witnessing a decline in production from its existing oilfields. Hence, its share in total crude oil production has fallen at a CAGR of 1.1% over the last 11 years, while the share of private ventures and joint ventures has increased at a CAGR of 6.3% during the same period. Major players in the private sector are Cairn India, RIL, Hindustan Oil Exploration Company Limited ("**HOECL**") and Essar. Participation of the private sector in oil production increased from 12.9% in 2001-2002 to 15.6% in 2009-2010. Over the past five years, sustained efforts by the Government at encouraging both upstream and downstream investments through New Exploration Licensing Policy ("**NELP**") and city gas distribution ("**CGD**") has prompted a surge in private investment, although investment in the upstream segment continues to be largely driven by the public sector. Crude production is expected to increase from 33.5 Million tonnes in 2008-2009 to 43.2 Million tonnes in 2013-2014 at a CAGR of 5.2%. (***Source: CRISIL Research***)
The following table details the crude oil production in India in the periods indicated:

('000 tonnes)	OIL	ONGC	Private/JV	Total
1997-1998	3,094	28,250	2,514	33,858
1998-1999	3,295	26,385	3,042	32,722
1999-2000	3,283	24,648	4,018	31,949
2000-2001	3,286	25,057	4,083	32,426
2001-2002	3,182	24,710	4,140	32,032
2002-2003	2,951	26,005	4,088	33,044
2003-2004	3,002	26,057	4,314	33,373
2004-2005	3,196	26,485	4,300	33,981
2005-2006	3,234	24,404	4,552	32,190
2006-2007	3,107	26,051	4,830	33,988
2007-2008	3,100	25,940	5,077	34,117
2008-2009	3,467	25,366	4,675	33,508
2009-2010 P	3,572	24,854	5,262	33,688

P: Provisional

Source: Ministry of Petroleum and Natural Gas *(“**MoPNG**”)*

India's total proven reserves of natural gas, as of end 2008, was around 1,120 bcm. This was marginally higher as compared to reserves of 1,090 bcm at the end of 2007. In 2009, the country's total gas production was around 39.3 bcm, as compared to 13.4 bcm in 1991. At this production rate, India's reserves are likely to last for 32-35 years, as compared with oil reserves of 18-21 years.

Earlier, the majority of domestic natural gas reserves were concentrated in the offshore gas fields at Mumbai High. However huge finds have been made by RIL, ONGC and Gujarat State Petroleum Corporation Ltd (“**GSPC**”) in the offshore Krishna Godavari basin area of Andhra Pradesh (KG Basin). Onshore reserves are primarily located in Rajasthan and the north-eastern states of Assam, Nagaland, Arunachal Pradesh and Tripura.

Natural gas production has shown an increasing trend over the past few years. Domestic production has increased at a CAGR of 6.1% from 29.2 bcm in 2004 to 39.3 bcm in 2009. Participation of the private sector in gas production increased from 11.6% in 2001-2002 to 44.9% in 2009-2010 primarily in light of the start of gas production from the Reliance KG-D6 gas field. Supply is expected to grow a CAGR of 18% over the next five years to 215.2 mmscmd by 2013-2014. (***Source: CRISIL Research***) The following table details the trend in natural gas production in India in the period indicated:

(mcm)	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Onshore									
Gujarat	3,171	3,531	3,517	3,710	3,831	3,294	2,931	2,605	2,444
Assam/ Nagaland	1,992	2,047	2,204	2,249	2,408	2,526	2,598	2,573	2,703
Arunachal Pradesh	32	36	44	40	48	35	30	30	40
Tripura	416	446	508	497	480	520	534	553	642
Tamil Nadu	348	466	508	497	480	520	534	553	642
Andhra Pradesh	1,797	2,038	1,927	1,707	1,663	1,525	1,567	1,524	1,479
Rajasthan	100	162	168	213	242	242	255	216	225
West Bengal	-	-	-	-	-	-	15	20	39
Offshore									
ONGC	18,317	18,367	17,805	17,313	16,823	16,567	16,457	16,738	17,461
JVC/private	3,430	4,296	5,184	5,356	5,801	5,908	6,861	7,348	21,350
Total	**29,603**	**31,389**	**31,962**	**31,763**	**32,202**	**31,747**	**32,417**	**32,849**	**47,560**

P: Provisional

Does not deduct gas flared and gas used for internal consumption.

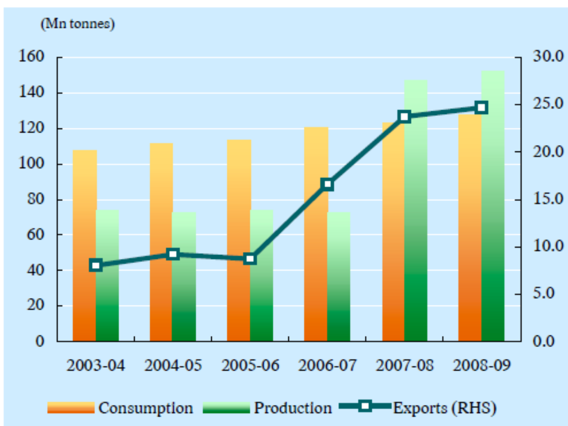
Source: MoPNG

Consumption

Crude oil and natural gas account for 31.2% and 8.6% of India's primary energy consumption, respectively. Domestic demand for petroleum products has increased at a CAGR of 3.4% from 107.8 Million tonnes in 2003-2004 to 127.2 Million tonnes in 2008-2009. The main demand drivers of this increase are MS, HSD, ATF and bitumen, constituting nearly 52.5% of the total petroleum product consumption. For India, the need to meet the rising domestic demand together with the ambition to emerge as a global refining hub has caused supply to increase in excess of 5.6% CAGR and reach 152mtpa in 2008-2009.

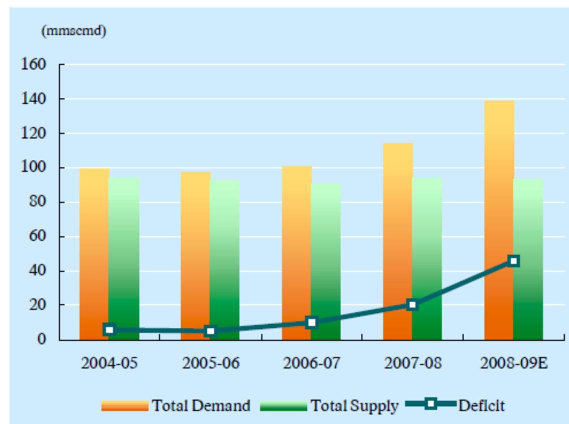
Domestic demand for natural gas has increased at a CAGR of 12.7% from 97.2 mmscmd in 2005-2006 to 139.1 mmscmd in 2008-2009. The key demand drivers for this increase have been the power and fertiliser sectors, accounting for nearly 70.0% of the total demand in natural gas. (***Source: CRISIL Research***)

Petroleum products - Demand-supply balance



Source: MOPNG

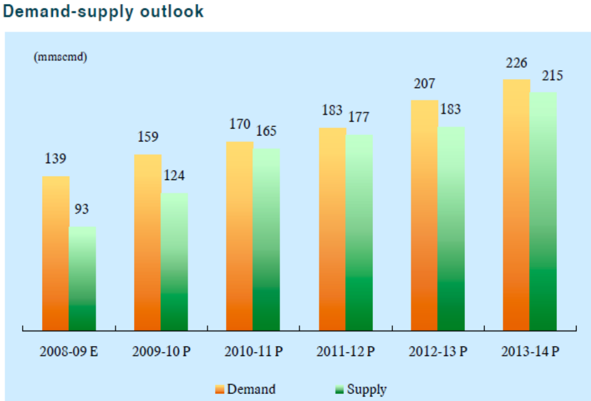
Natural gas demand - Supply balance



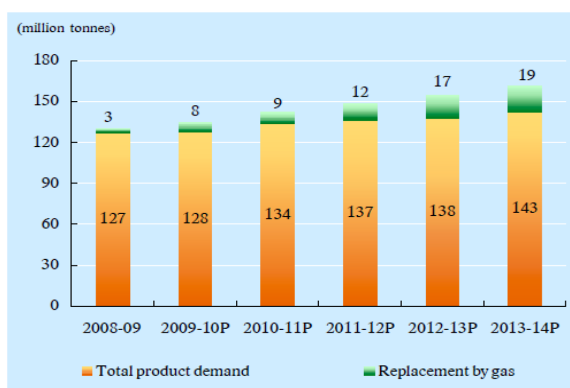
Source: CRISIL Research

Overall domestic petroleum product demand is expected to remain robust over the medium term, growing at a CAGR of 2.6% to 143 Million tonnes by 2013-2014. The demand for natural gas is expected to grow at a CAGR of 10.2% to 226 mmscmd by 2013-2014. One of the drivers for the growth in natural gas demand is the replacement demand for natural gas in lieu of other petroleum products. (***Source: CRISIL Research***)

Demand-supply outlook



Replacement of product demand by gas



Supply does not include imports of spot LNG

Source: CRISIL Research

Oil and Gas Infrastructure

The main infrastructure development activities relating to the exploration and production ("**E&P**") sector are building up process platforms, laying of pipelines, oil and gas collecting stations and other surface facilities for evacuation of crude oil and natural gas from field areas to delivery points. For processing of crude, the infrastructure required is storage tanks for both the crude and the processed products and the refinery facilities.

E&P Sector

Infrastructure development activities in the E&P sector are highly dependent on the location of oil and gas fields either onland or offshore, size of the reservoir, prevailing prices of crude oil and natural gas as well as techno-economic consideration of the development plan of the discoveries. Due to the uncertainties involved in the E&P business, realistic assessment of infrastructural development activities cannot be made in advance. After the implementation of NELP, operators have the freedom to market oil and gas produced from their blocks. With increased E&P activities, oilfield service companies have been encouraged to establish their service centres in India taking advantage of India's growth in information technology ("**IT**") sector as well as advantage of available manpower. During the XI Plan period, establishment of E&P service provider hubs has been envisaged. Exploration companies will need to invest heavily on development of surface facilities. In this regard, the Government also has the responsibility of facilitating the operators by providing necessary approvals and incentives for infrastructure development. The total investment outlay during the XI Plan by the public sector and the private companies is expected to be approximately US$40 billion, of which private sector is to account for approximately US$9 billion. (***Source: Report of the working group on Petroleum & Natural Gas Sector for the XI Plan (2007-2012)***).

Pipelines

Pipelines are a key component in the crude oil logistics sector. Inland transportation of crude oil from production sites or ports is primarily undertaken through pipelines. Both public sector and private sector players are trying to ensure a hold over this safe and cheap mode of transportation. In the long term, pipelines are cheaper to run than using tankers because they are more energy-efficient. Besides, pipelines can carry large volumes of crude oil and gas quickly. However, the main disadvantage is their fixed route. (***Source: CRISIL Research***)

The following table details the crude oil pipelines in India in the periods indicated:

	Length (km) as on April 1						
(mcm)	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
Crude pipelines (onshore)							
ONGC	1,181	1,708	2,232	2,507	2,881	3,239	3,588
OIL	1,538	1,538	1,538	1,418	1,418	1,418	1,418
Indian Oil	2,640	2,788	2,788	2,788	3,962	2,962	
JV	11	11	11	13	13	11	11
Pvt/JV	16	16	17	19	21	47	
Sub total	**5,386**	**6,061**	**6,759**	**6,745**	**7,119**	**8,651**	**9,026**
Crude pipelines (offshore)							
ONGC	731	798	821	865	1,159	1,253	1,272
Indian Oil	25	25	25	25	25	25	25
Pvt/JV	142	174	179	179	179	200	200
Sub total	**898**	**997**	**1,025**	**1,069**	**1,363**	**1,478**	**1,497**

Source: MoPNG

Crude oil pipelines transport indigenous crude oil as well as imported crude oil. Refineries use a combination of domestic and imported crude oil. The imported crude oil is transported from various ports, and most of the indigenous crude oil is transported from the country's north-eastern parts.

For investment in gas pipelines, there are a number of plans by different players in the industry. GAIL has drawn up major plans for creation of the inter-state transmission grid in line with the emergence of gas sources on the west and east coasts of the country. The total investments of GAIL for creation of pipeline infrastructure in the XI Plan is expected to be approximately Rs. 111,200 Million. Besides, there are other private players who have obtained Right of Usage ("**ROUs**") and planned some inter-state pipelines. Such pipelines include the Kakinada–Uran–Ahmedabad Pipeline, the Hyderabad–Goa Pipeline, the Kakinada–Bhopal–Jamnagar Pipeline and the Kakinada–Cuttack–Haldia Pipeline and the Vijaywada–Chennai Pipeline. The total expected investment in these inter-state pipelines is approximately Rs. 210,000 Million.

In terms of the distribution pipelines, there are very good prospects of expansion and a number of players are expected to participate in the growth of this sector. From the current coverage of 10 cities, the city gas distribution network is expected to grow to about 40 cities all over the country in line with the expected emergence of supply sources. The total investment in this sector is expected to be approximately Rs. 90,000 Million in the XI Plan.

Putting all these investments together, the gas sector is expected to see a total investment of approximately Rs.400,000 Million during the XI Plan period with gas transmission pipelines taking a major share of about 53.0 %, while LNG re-gas terminals and city gas distribution infrastructure taking a share of 24.0% and 23.0% respectively. These investments do not include upstream investments in E&P. (***Source: Report of the working group on Petroleum & Natural Gas Sector for the XI Plan (2007-2012)***).

The details of the year-wise projected investments in the gas sector during the XI Plan and the Infrastructure map of India are presented below:

Table 10.3: Plan Outlay in Gas Value Chain (Rs Crore)

Supply	07-08	08-09	09-10	10-11	11-12	Total
LNG Terminals*	1,620	2,300	1,800	1,000	2,500	9,220
Gas Transmission Pipelines*						
-GAIL	2,046	1,110	2,892	3,309	1,764	11,121
-Others**	2,000	2,000	2,000	2,000	2,000	10,000
City Gas Distribution Infrastructure*	1,000	1,500	2,000	2,000	2,500	9,000
Total	6,666	6,910	8,692	8,309	8,764	39,341

Note 1: Out of GAIL's total investment plan of Rs.12,159.25 crore, Rs.11,121 crore is only for gas transmission pipelines during the XI plan.

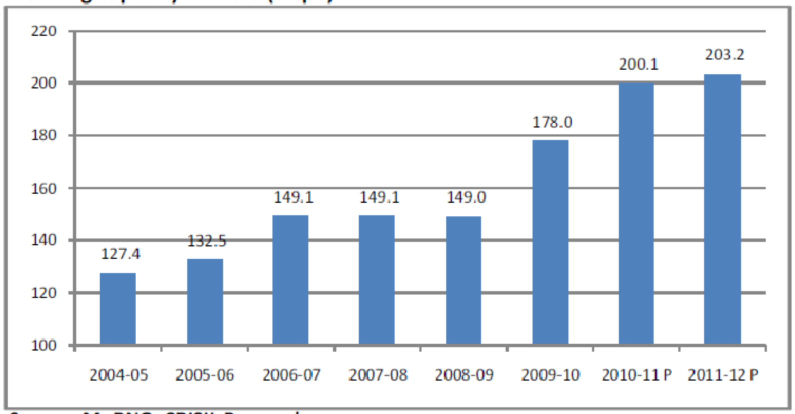
Note 2: In addition to the pipeline connectivity planned by GAIL for non gas based fertilizer plants, the other units (Goa, Mangalore, Tuticorin) are expected to be covered under private sector initiatives, investment for which is provided for above.

Source: Report of the working group on Petroleum & Natural Gas Sector for the XI Plan (2007-2012)

Refining

For India, the need to meet the rising domestic demand together with the ambition to emerge as a global refining hub will push investment in refineries. India, with 18 refineries, currently has a surplus refining capacity which has placed India as one of the countries which are net exporters of petroleum products. Increasingly stringent fuel specifications have put pressure on the old and non-compliant refineries to upgrade their refinery configurations to produce compliant fuels. The Government is considering promoting India as a competitive refining destination to service the export market for petroleum products as also integrating it with the petrochemical and chemicals businesses to produce and export higher revenue generating value added products. Looking at the increasing demand for petroleum products, both public and private sector companies are investing in expanding their refining capacity. This has led Indian companies to expand their refinery capacity and put up green-field refinery projects. The refinery capacity is expected to increase from 178mtpa in 2008-2009 to 241mtpa in 2013-2014 at a CAGR of 6.5%. (***Source: CRISIL Research***)

Refining capacity in India (mtpa)

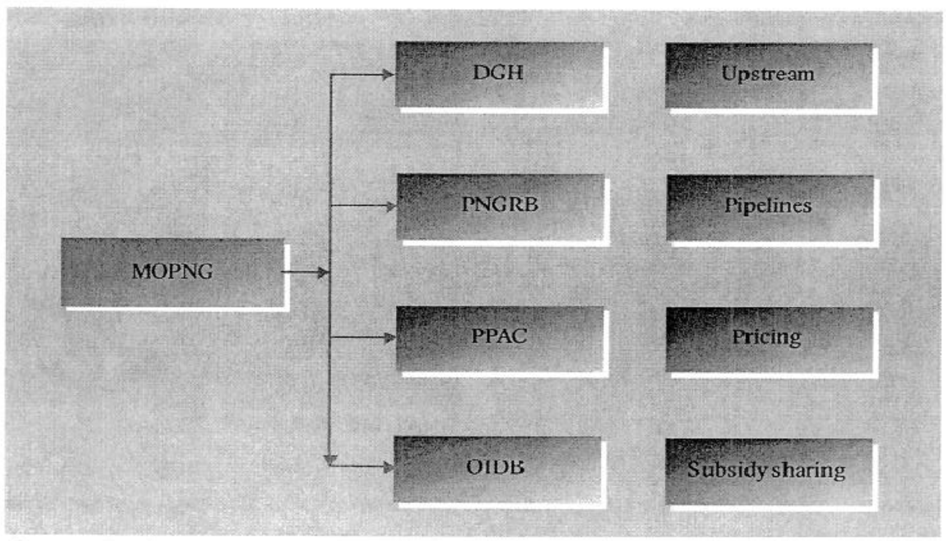


Source: MoPNG, CRISIL Research

Regulatory Framework for Oil and Gas sector in India

The following diagram depicts the regulatory structure governing the oil and gas sector in India:

Regulatory Structure



Source: CRISIL Research

The MoPNG is the primary regulatory authority for exploration and production of oil and natural gas, including refining, distribution and marketing, import, export and conservation of petroleum products and liquefied natural gas and is involved in the planning, development and regulation of oilfield services. The following entities have been set up to assist the MoPNG on specific aspects:

*Directorate General of Hydrocarbons ("**DGH**")* has been set up, *inter alia*, to (a) promote efficient management of oil and natural gas resources with a balanced regard for environment, safety and technological and economic aspects of petroleum activity; (b) implement NELP matters concerning production sharing contracts for discovered fields and exploration blocks; (c) promote investment in the E&P sector and monitor E&P activities including review of reservoir performance of producing fields; and (d) open up new unexplored areas for future exploration and development of non-conventional hydrocarbon energy sources like coal bed methane ("*CBM*"), gas hydrates and oil shale.

*Petroleum and Natural Gas Regulatory Board (“**PNGRB**”)* has been set up, *inter alia*, to (a) authorise entities to lay, build, operate or expand a common carrier or contract carrier, city or local natural gas distribution network; (b) protect the interest of consumers by fostering fair trade and competition amongst entities; (c) ensure adequate availability of notified petroleum, petroleum products and natural gas; and (d) maintain a data bank of information on activities relating to petroleum, petroleum products and natural gas.

*Petroleum Planning and Analysis Cell (“**PPAC**”)* has been set up, *inter alia*, to (a) analyse the trends in the international oil market and domestic prices; (b) administrate the subsidy on PDS kerosene, domestic LPG and freight subsidy; (c) forecast and evaluate of petroleum import and export trends.

*Oil Industry Development Board (“**OIDB**”)* has been set up, *inter alia*, to (a) provide loan assistance to oil companies; (b) provide loan assistance for scientific, technological and economic research, which could be directly or indirectly useful to the oil industry; (c) determine the terms and conditions, including interest rates, for project loans from time to time; and (d) determine subsidy support for the north-eastern states of India.

Key regulations and policies

NELP Regime

Until the beginning of the early 1990s, the Government through the MOP, nominated certain nationalized oil and gas companies for exploration and production of oil and gas in India. During this period the Government entered into nomination PSCs with national oil companies on an ad-hoc basis. From 1991 to 1997, the Government followed the auctioning round, which allowed for 100.0% FDI in the exploration and production sector in India. These are now typically referred to as the Pre-NELP rounds. During the Pre-NELP rounds, the Government entered into PSCs on a case-by-case basis as there was no notified policy or framework pursuant to which the Government granted acreages. In the year 1998, the Government formulated a comprehensive policy for inviting investments by nationalized and private participants. The policy was notified in February 1999 as the NELP. Under the NELP, participants were offered exploration blocks for carrying out exploration and production activities in India. The thrust of NELP was to ensure a level playing field between the national oil companies and the private participants. Eight rounds bf bidding have been successfully concluded under the NELP. After the seventh NELP round, 203 PSCs have been signed and the area awarded under NELP for exploration was 46.0% of the Indian sedimentary basin area (***Source: Economic Editors' Conference, November 4, 2009, MOP (Economic and Statistics Division, Government***). The eighth NELP round was launched in April 2009 in which a total of 70 exploration blocks comprising 24 deepwater blocks, 28 shallow water blocks and 18 on-land blocks were offered. According to the MOP Annual Report, 2008-2009, these 70 blocks cover a sedimentary area of approximately 164,000 square kilometres, approximately 5.2% of India's sedimentary basin area. 36 of the 70 blocks offered under the eighth NELP round received bids, and 34 blocks were awarded. Of these, 31 PSCs have been signed so far. (***Source: Moneylife, June 30, 2010***)

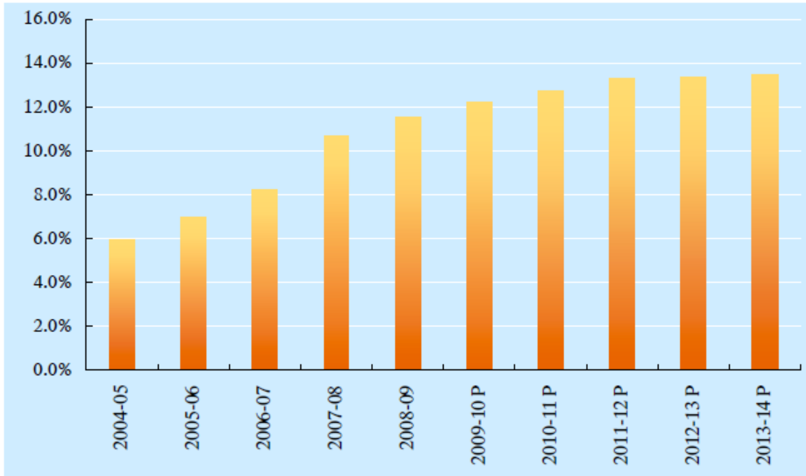
According to the data published by MOP's Economic and Statistics Division, as of April 1, 2009, expected investment made by Indian and foreign companies in the NELP rounds was approximately US$11.9 billion, of which US$5.5 billion was invested on oil and gas exploration and US$6.4 billion was invested on development and discoveries. As of April 2009, India had total reserves of 775 MMT of oil and 1,074 bcm of natural gas. (***Source: Basic Statistics on Indian Petroleum and Natural Gas, 2008-2009, MOP, Government***)

Indian Infrastructure Industry

Infrastructure development is a key determinant of economic growth. Over the last decade and a half, there has been a considerable growth in the pace of investments in the infrastructure sector.

Further, in the past 5 years, investments towards infrastructure as estimated by CRISIL Research have increased from 6.0% of GDP in 2004-2005 to 11.6% of GDP in 2008-2009. This is expected to increase to around 13% of GDP by 2013-2014. (***Source: CRISIL Research***)

Infrastructure investments/GDP %



As per CRISIL Research estimates, infrastructure expenditure across 11 sectors including airports, ports, roads, irrigation, oil and gas, power, railways, telecom and urban is expected to reach $732 billion over 2009-2010 to 2013-2014. This investment will be more than double the investments made in the previous five years.

Infrastructure investments expected (2009-10 to 2013-14) - Base case scenario

Sectors	Historical Investments (estimated) (2004-05 to 2008-09) (Rs bn)	($ bn)	Sectoral share (%)	Projected Investments (2009-10 to 2013-14) (Rs bn)	($ bn)	Sectoral share (%)	(%) Change
Power	2,635	56	19.7	7,032	150	20.4	166.9
Roads	2,155	46	16.1	5,216	111	15.2	142.0
Oil and gas	2,898	62	21.6	4,958	105	14.4	71.1
Railways	1,258	27	9.4	3,041	65	8.8	141.7
Irrigation	1,455	31	10.9	2,984	63	8.7	105.1
Urban infra	853	18	6.4	2,650	56	7.7	210.7
Education	n.a.	n.a.	-	2,627	56	7.6	-
Telecom	1,740	37	13.0	2,485	53	7.2	42.8
SEZ	n.a.	n.a.	-	1,711	36	5.0	-
Ports	272	6	2.0	733	16	2.1	169.5
Healthcare	n.a.	n.a.	-	557	12	1.6	-
Airports	142	3	1.1	261	6	0.8	83.8
Warehousing	n.a.	n.a.	-	172	4	0.5	-
Total	**13,408**	**285**	**100**	**34,427**	**732**	**100**	

n.a.: Not available

Source: CRISIL Research

Given the considerable requirement for infrastructure development, all stakeholders involved in executing infrastructure projects - centre, states, PSUs and private players – are expected to play significant roles.

The combined share of the Government and state in infrastructure development is expected to be 39.0%-40.0% over the next five years. The Government is likely to focus on roads, railways and urban infrastructure. The governments of the states are expected to be actively involved in irrigation, roads, urban infrastructure and power related projects. Corporates, including public sector units and private players, are likely to play a key role in infrastructure development over the next five years, contributing almost 60.0% of the infrastructure investments. ***(Source: CRISIL Research)***

Segment-wise share of investments (2009-10 to 2013-14)

	Centre	State	PSUs	Private	Total (Rs bn)
Power	0%	39%	28%	33%	7,032
Roads	42%	32%	0%	26%	5,216
Oil and gas	0%	0%	87%	13%	4,957
Railways	34%	0%	62%	3%	3,041
Irrigation	10%	90%	0%	0%	2,983
Urban infra	37%	52%	0%	12%	2,649
Education	20%	0%	0%	80%	2,626
Telecom	0%	0%	16%	84%	2,485
Ports	1%	0%	10%	90%	733
Healthcare	5%	19%	0%	76%	558
Airports	0%	0%	32%	68%	261

Note

State includes investments by ULBs in urban infra and loans taken by them.

Source: CRISIL Research

Power

India's power deficit has risen significantly over the past few years, from 7.0% in 2003-2004 to 11.0% in 2008-2009. Power capacity additions during the same period have been considerably low at a CAGR of 5.6%.

Growing industrial demand and low per capita consumption levels are expected to propel the power demand. In order to meet the growing deficit, and to cater to this spiralling demand, the government, through the MoP, has initiated processes such as setting up of ultra mega power projects ("**UMPPs**"), and increasing returns through the new Central Electricity Regulatory Commission ("**CERC**") regulations 2009, along with focus on transmission and distribution ("**T&D**") through the Revised Accelerated Power Development and Reforms Programme ("**R-APDRP**") and the Rajiv Gandhi Grameen Vidyutikaran Yojana ("**RGGVY**"). These initiatives and the growing demand would be key drivers for investments in the power sector.

With the opening up of the power sector and initiatives taken by the power ministry, a number of private players have planned huge capacity additions over 150 giga watts ("**GW**"). It is expected that a large portion of these capacity additions will become operational over the next 5 years, in turn lowering the base load deficit to 5.6% by 2013-2014.

On the demand front, it is expected that the industrial sector to drive demand for power over the next five years, forming nearly 50.0% of the total demand. On the supply front, capacity additions of 66 GW are likely to materialise by 2013-2014, of which around 80.0% will be coal-based comprising approximately 52 GW.

The capacity additions are expected to translate into an investment potential of Rs. 7.0 trillion between 2009-2010 and 2013-2014 (utilities only) compared to Rs. 2.6 trillion investments from 2004-2005 to 2008-2009 which indicates a rise of 167.0%. These investments are expected to primarily come from private players, directed towards coal-based capacity addition. ***(Source: CRISIL Research)***

Renewable Energy Generation

Renewable energy principally comprises wind power, hydro power (less than 25MW), solar power, biomass energy and geothermal energy. Renewable energy sources are becoming increasingly important contributors to the world's energy supply portfolio as they contribute to the world energy supply security, reduce dependency on fossil fuel and provide opportunities for the effect of greenhouse gases. According to the Energy Information Administration's International Energy Outlook 2009 reference case, renewable energy is expected to be the fastest-growing source of electricity generation, increasing by about 2.9% annually to grow from 19% of the world's electricity generation in 2006 to 21% in 2030.

Renewable Energy in India

Renewable energy-based power capacities have registered the highest pace of growth in the overall capacity additions in India compared to non renewable sources, increasing their share of total power capacity from 2% for the year ended March 31, 2003 to around 10% for the year ended March 31, 2010. However, contribution from renewable energy sources towards overall generation has been low at around 3% due to low plant load factors of renewable capacities. (***Source: CEA***)

The XI Plan envisages a capacity addition of 14,000 MW from grid-interactive renewable energy. (***Source: Report of the Working Group on New and Renewable Energy for the XI Plan, Planning Commission, December 2006***) The Planning Commission estimates that by the end of the XI Plan, renewable energy power capacity in India could be around 23,000 MW out of total capacity of around 211,000 MW or approximately 11% of total capacity.

Programme Component	Physical Target for XIth Plan (in MW)	Proposed Outlay for XIth Plan (Rs. in Million)
Wind Power	10,500	750 (for demo only)
Small Hydro Power	1,400	7,000
Biomass Power	1,200	6,000
Co-generation	500	2,000
Urban Waste to Energy	200	1,500
Industrial Waste to Energy	200	750
Total	**14,000**	**18,000**

(***Source: MNRE – www.mnre.gov.in***)

Capacity addition of around 49,000 MW in the aggregate is envisaged for the XII and XIII Plans. According to the Planning Commission, renewable power capacity by the end of the XIII Plan period is projected to reach 53,000 MW, comprised of 39,000 MW of wind power, 7,500 MW of biomass power and 6,500 MW of mini hydroelectric power.

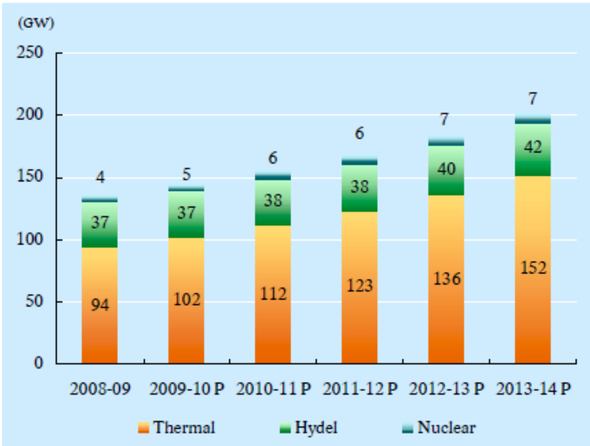
The Government and various state governments provide a variety of regulatory incentives in respect of renewable energy including:

Tax incentives. Indian renewable energy companies are entitled to 80% accelerated depreciation on assets employed in renewable energy power generation and benefit from a 10-year tax holiday. Renewable energy companies are also entitled to receive excise duty relief on certain capital goods.

Generation Incentives. The Government has recently announced a plan to offer an incentive of 50 paisa per unit of wind power supplied to the grid by independent wind power producers. This incentive is capped at Rs. 6.2mn per MW over the life of the project. The incentive is limited to wind farms with a maximum aggregate installed capacity of 4,000 MW. The generation based incentive is over and above the tariff fixed by the SERCs for purchase of electricity from wind power projects to a period of 10 years provided that investors do not claim an accelerated depreciation benefit. The benefit is only available to independent power producers whose capacities are commissioned for sale of power to the grid and it is not available for captive wind power projects and merchant plants.

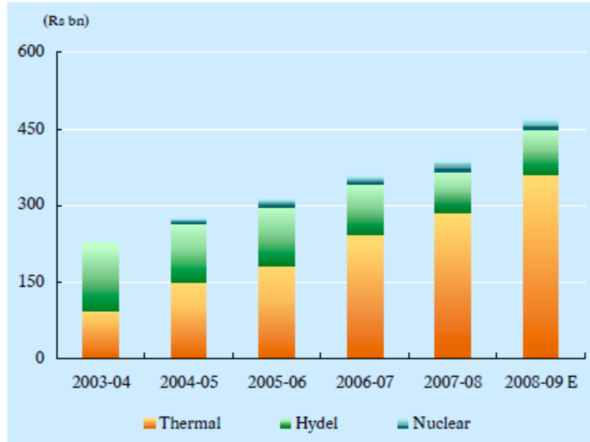
Projected installed capacity

Generation investment break-up



P: Projected

Source: Central Electricity Authority



E: Estimated

Source: CRISIL Research

Airports

Investment in airport infrastructure has gained importance over the past three-four years following strong growth in passenger and cargo traffic at Indian airports. With the major airports in India getting heavily congested, upgradation of the existing airport infrastructure has become imperative.

Two greenfield airports were constructed in 2008 at Bangalore and Hyderabad at an investment of Rs. 25.0 billion each. Modernisation of both metro and non-metro airports is also currently being undertaken. The entry of private players in the airports business has also accelerated investments and increased focus on profits.

Overall passenger growth is expected to grow from 108.7 Million in 2008-2009 to 187 Million in 2013-2014 at a CAGR of 11.4%. Cargo tonnage is expected to grow from 1.7 Million tonne in 2008-2009 to 2.5 Million tonne in 2013-2014 at a CAGR of 7.9%.

Investments at Indian airports is expected to be Rs. 261.00 billion for the period between 2009-2010 and 2013-2014, which is substantially higher than the previous 5 years' figures. A majority of the funding is expected to be from private operators, with the Government funding the remainder. (***Source: CRISIL Research***)

Urban Infrastructure – Water supply, Sewerage, and Desalination

Over the last 50 years, India's population has increased by approximately 250.0%. India's population has also become increasingly urbanised, with its urban population increasing by approximately 500.0% in the last 50 years. According to the Ministry of Urban Development out of the total population of 1,027 Million as on March 1, 2001, about 742 Million live in rural areas and 285 Million in urban areas. Essential infrastructure facilities are thus of critical importance for the large and growing urban population. The urban infrastructure sector includes urban housing, sanitation, water supply and wastewater and sewage management, as well as desalination systems.

It is estimated by the PHD Chamber of Commerce and Industry that only 71 of the country’s 4,000 towns and cities have facilities such as waste water collection, treatment and disposal systems. Private entities are becoming important participants in this sector. For example, the State of Karnataka has begun shifting the operation and management of waste and waste water networks in small towns to private sector companies.

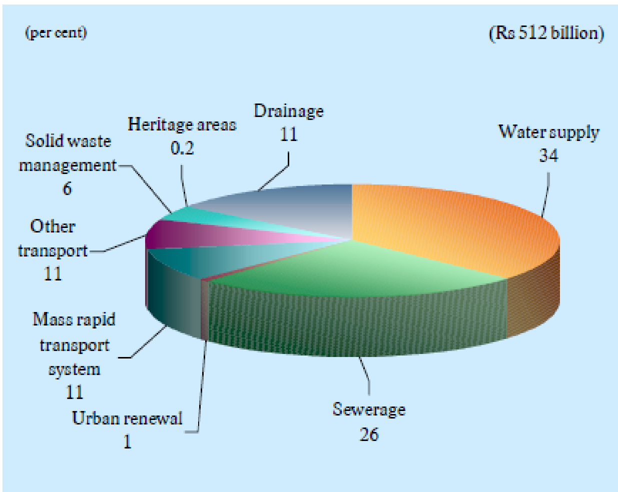
Water Distribution and Desalination

Conventional water and waste water treatment technologies and systems like municipal water supply, effluent treatment, sewage treatment, and pre-treatment of water for industries is a growing sector in India. Also, there are opportunities in international funded and state government funded water projects to augment water supply.
Advanced technology based water plants like desalination plants are likely to get greater emphasis. Desalination refers to the wide range of processes designed to remove salts from water of different qualities. Water from

desalination has not been a major source of supply in India till now. A recent announcement of a 150 MLD desalination plant in the Kutch region has been the biggest plant in the country and more desalination plants are expected to be announced going forward.

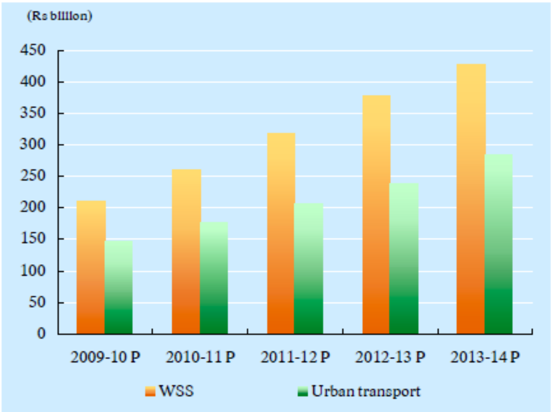
Under the Jawaharlal Nehru National Urban Renewal Mission ("**JNNURM**"), the Government had sanctioned projects amounting to Rs. 512.00 billion as on August 2009. (***Source: CRISIL Research***)

Sector-wise projects sanctioned (as on August 09)



Source: CRISIL Research, Ministry of Urban Development

Break up of investments



P: Projected
Note: WSS includes water supply, sanitation and solid waste management.
Source: CRISIL Research

Overview of the EPC industry

Engineering construction activity is integral to the energy industry, infrastructure and industrial development and involves engineering construction services for pipelines, storage terminals and processing facilities, urban infrastructure, townships, highways, bridges, roads, railroads, ports, airports, and power systems. A significant part of the global engineering construction activity is concentrated in the oil and gas industry, the power sector and the metals and mining sector.

EPC contracts are a common form of contract used to undertake construction works by the private sector on large scale and complex oil and gas projects. EPC contracts can be of two types –

- Turnkey construction contracts; and
- Operation and maintenance agreements.

Under an EPC contract a contractor is obliged to deliver a complete facility to a developer who need only 'turn a key' to start operating the facility, hence EPC contracts are sometimes called turnkey construction contracts. In addition to delivering a complete facility, the contractor must deliver that facility for a guaranteed price by a guaranteed date and it must perform to the specified level. Failure to comply with any requirements will usually result in the contractor incurring monetary liabilities. The contractor is responsible for all design, engineering, procurement, construction, commissioning and testing activities.

Owing to their flexibility, the value and the certainty sponsors and lenders derive from EPC contracts, it is expected to continue to be a pre-eminent form of construction contract used on large scale oil and gas projects. The key clauses in any construction contract are those which impact on time, cost and quality. The same is true of EPC contracts. However, EPC contracts tend to deal with issues with greater sophistication than other types of construction contracts. This is because an EPC contract is designed to satisfy the lenders' requirements for bankability.

Operating and Maintenance Agreements ("**O&M Agreement**") form a small proportion in value terms of the EPC contracts in the oil and gas industry as compared with turnkey contracts. (***Source: CRISIL Research***)

Contract Types Used In the Indian Construction Industry

There are different models currently being adopted for PPPs in India which vary in the distribution of risks and responsibility between the public and the private sectors for financing, constructing, operating, and maintaining assets. Two important types of contracts, BOT and BOOT, are explained below, as well as certain other contracts generally used in the Indian construction industry.

Build-Operate- Transfer ("BOT")

Under this type of PPP contract, the customer grants to a contractor a concession to finance, build, operate and maintain a facility for a concession period. During the life of the concession, the operator charges a fixed fee and applies this to cover the costs of construction, debt-servicing and operations. At the end of the concession period, the facility is transferred back to the customer.

Build- Own-Operate- Transfer ("BOOT")

BOOT contracts are similar to BOT contracts, except that in this case the contractor owns the underlying asset, instead of only owning a concession to operate the asset. For example, in the case of hydroelectric power projects, the contractor would own the asset during the underlying concession period and the asset would be transferred to the customer at the end of that period pursuant to the terms of the concession agreement.

Item Rate Contracts

These contracts are also known as unit-price contracts or schedule contracts. For item rate contracts, contractors are required to quote rates for individual items of work on the basis of a schedule of quantities furnished by the customer. The design and drawings are provided by the customer. The contractor bears almost no risk in these contracts, except escalation in the rates of items quoted by the contractor, as it is paid according to the actual amount of work on the basis of the per-unit price quoted.

EPC/Lump-Sum Turnkey Contracts

In this form of contract, contractors are required to quote a fixed sum for the execution of an entire project including design, engineering and execution in accordance with drawings, designs and specifications submitted by the contractor and approved by the customer. The contractor bears the risk of incorrect estimation of the amount of work, materials or time required for the job. Escalation clauses might exist in some cases to cover, at least partially, cost overruns.

Operations and Maintenance ("O&M") Contracts

Typically an operations and maintenance contract is issued for operating and maintaining facilities. This could be in sectors such as water, terminals, highways, buildings and power. The contract specifies routine maintenance activities to be undertaken at a predetermined frequency as well as break-down maintenance during the contract period. While the contractor is paid for the routine maintenance based on the quoted rates which are largely a function of manpower, consumables and maintenance equipment to be deployed at the site, any breakdown maintenance is paid for on a cost-plus basis.

Front End Engineering and Design ("FEED") Contracts

Ordinarily, FEED work is carried out as a part of a consultancy assignment where the consultant provides FEED data to the project owner to enable it to take a decision on making a tender for construction. In addition to this, the FEED is also a prerequisite to enable a contractor to bid for EPC/turnkey projects. A FEED project can be an independent consultancy project or a part of an EPC/turnkey contract. (***Source: CRISIL Research***)

Overview of the EPC industry in Oil and Gas sector

The oil and gas sector has been one of the key focus areas of the EPC industry. The demand for engineering construction services in the oil and gas industry is dependent on the level of exploration, production, storage, refining and transportation activity and the corresponding capital spending by energy industry conglomerates. Construction projects in the oil and gas sector include exploration rigs and platforms, refineries and other processing facilities, tanks and terminals for storage of oil and gas and derivative products and pipelines for transportation of such products.

The global EPC industry is further expected to experience increased engineering construction activity in the energy industry, resulting in part from the steep increase in oil and gas prices.

With global demand expected to grow, oil and gas prices are expected to remain high in the near future, resulting in increased focus on creating additional production, refining and transportation capacities to meet the growing demand for oil and gas. (***Source: CRISIL Research***)

Opportunities for EPC in Oil and Gas sector in India

Growth in domestic demand, coupled with high energy prices is expected to drive investment in the oil and gas sector which in turn would benefit the EPC players in the industry. Given the dominance of the PSU companies in the oil and gas space in India, it is expected that a major proportion of the investment in this sector will be by the PSU companies. The following table details the expenditure by oil PSU companies in India in the XI Plan.
The following table details the expenditure by oil PSU companies in India in the XI Plan.

Eleventh Five year Plan Break Up	**Rs. Billion**
Upstream	1,591.60
Refining	815.50
Gas	130.80
Marketing	60.80
Crude Pipelines/Crude Oil terminal	42.30
R & D (including in upstream)	14.20
Others	35.40
Total	**2690.50**

Source: MoPNG

The following table details the expected refinery capacity addition during the Eleventh Five Year Plan period:

Refinery	**MMTPA**
Public Sector	
Indian Oil, Haldia	1.5
Indian Oil, Panipat	3.0
Indian Oil , Paradip Refinery Storage Terminal	15.0
HPCL, Mumbai	2.4
HPCL, Visakh	7.5
HPCL, Bhatinda	9.0
BPCL, Bina	6.0
CPCL, Chennai	1.7
Kochi Refineries Limited, Kochi	2.0
MRPL, Mangalore	5.3
ONGC, Tatipaka	0.1
Total Public Sector	**53.5**
Private Sector	
Reliance Petroleum Limited, Jamnagar (New)	29.0
Essar, Jamnagar	3.5
Nagarjuna Oil Corporation Limited	6.0
Total Private Sector	**38.5**
Consolidated Total	**92.0**

Source: MoPNG

In India, capital investments in the upstream and downstream oil and gas sector are expected to grow with investments of approximately Rs. 2,773.00 billion and Rs. 1,935.00 billion are expected to be made between 2009-2010 to 2013-2014, respectively. This presents ample opportunities to the EPC players catering to the oil and gas industry. (***Source: CRISIL Research***)

Investment outlook (2009-10 to 2013-14)

Rs billion	2009-10 P	2010-11 P	2011-12 P	2012-13 P	2013-14 P	Cumulative total
Upstream	543	542	540	560	588	2,773
Downstream						
Refining	398	409	352	370	407	1,935
Natural Gas						
Natural gas pipelines	13	38	25	25	25	127
CGD	1	1	1	3	5	11
LNG Terminal	23	59	32	-	-	113
Total Natural Gas	36	98	58	28	30	250
Total Oil and Gas	977	1,049	950	958	1,024	4,958

n.a.: Not applicable

Source: CRISIL Research

The Government is building an Underground Strategic Reserve in an attempt to ensure uninterrupted oil supply. It is building under-ground storages at Visakhapatnam in Andhra Pradesh and Mangalore and Padur in Karnataka. The three storage facilities with a total capacity of 37.4 Million barrels will have the capacity to meet the nation's oil requirements for two weeks in case of an energy crisis. The expected investment for the Underground Strategic Reserve is approximately Rs 30,000 Million. The first is being built at Visakhapatnam in Andhra Pradesh with a capacity of 7.48 Million barrels or the equivalent of 1.33 Million tonnes and will be completed by October 2011. The second facility will be built at Mangalore in Karnataka by November 2012 with a capacity of 11.22 Million barrels or the equivalent of 1.5 Million tonnes, while the third will be built at Padur in Karnataka by December 2012 with a capacity of 18.7 Million barrels or the equivalent of 2.5 Million tonnes. (***Source: Times of India, April 15, 2010***)

Competitive landscape in the Indian Oil and Gas EPC industry

The following table details the position of some of the key players in the Indian oil and gas EPC industry for the year 2009-2010:

2009-2010	Units	Petron Engineering	IOT	Engineers India	Punj Lloyd*	Larsen & Toubro
Order book	Rs. Billion	10.20	29.30	62.40	276.50	1,002.40
Order book growth year on year	Per cent	54.5	155.1	0.0	33.7	42.5
Sales	Rs. Billion	5.70	15.20	22.00	117.80	428.70
Revenue growth	Per cent	31.1	(3.5)	23.9	50.6	7.6
Order book/sales ratio	Times	1.8	1.9	2.8	2.3	2.3
Order book contribution from Oil and Gas sector	Per cent	N A	94.6	N A	24.0	15.0
Operating margins	Per cent	9.0	18.5	31.1	3.3	20.5
RoCE	Per cent	22.3	21.7	59.3	0.8	14.7
Debt-equity ratio	Times	0.5	0.5	N A	1.5	1.2
GFA turnover	Times	4.0	2.2	11.8	3.9	1.9
Current ratio	Times	1.4	1.8	1.5	1.2	1.1

2009-2010	Units	Petron Engineering	IOT	Engineers India	Punj Lloyd*	Larsen & Toubro
*Financials for Punj Lloyd is as on March 2009						

(***Source: Centre for Monitoring Indian Economy, CRISIL Research***)

Besides the domestic players there are certain international EPC players who are present in India. Some of the major players include Toyo Engineering and Samsung Engineering.

BUSINESS

Overview

We are a joint venture between Indian Oil, India's largest petroleum refining and marketing company by sales and the highest ranking Indian company in the Global Fortune 500, and Oiltanking of Germany, one of the world's leading independent storage company for oil, chemicals and gases. We operate a diverse portfolio of businesses, comprised of our EPC Business, our Terminalling Business and our Upstream Services Business and have taken steps to enter into the Renewable Energy Business. We offer an array of our services to the oil and gas industry.

Our business originally consisted of independent tank terminalling services for crude oil and petroleum products. We leveraged on our experience in project management for the construction of terminals to enter into the EPC business in 1998, initially through projects relating to tank farms. We have expanded our EPC Business both organically and through our acquisitions of IOT Anwesha (formerly known as Anwesha Comtech Engineering Private Limited), a specialist tank construction company, and Stewarts and Lloyds, a specialist piping construction company. To further leverage our expertise and customer base in the Indian oil and gas industry, we entered into the Upstream Services Business in 2008 through our acquisition of Newsco Asia, one of the leading providers of directional drilling services in India in which we currently hold a 75.0% equity interest, and have organically expanded our Upstream Services Business to become a seismic service provider.

Our EPC Business provides integrated engineering, procurement and construction services primarily to the oil and gas sector, as well as the power, infrastructure, steel, cement and food and beverage sectors. We believe we have developed core competencies in project management, design optimisation and large-scale procurement and we seek to capture a significant portion of the EPC value chain through our execution expertise in construction services. We operate our EPC Business primarily in India and Oman. We have also established offices in Indonesia and Dubai. The customers of our EPC Business include Indian Oil, Oiltanking Odfjell Terminals & Co. LLC, OIL, ONGC, Doosan, Anrak Aluminium Limited and HPCL.

Our portfolio of completed EPC projects include petroleum product storage projects providing over three million kiloliters of storage, 243 kilometres of cross-country petroleum product pipelines, utilities and offsites for refineries, aviation fuel handling systems, LPG storage and bottling facilities, heavy erection work in the petrochemical and cement industries, as well as crude oil treatment facilities. Our completed projects include 13 large projects, each generating revenues in excess of Rs. 250.00 million, since April 1, 2005. In the aggregate, these large projects have generated aggregate revenues of Rs. 25,555.80 million, which constituted 56.0% of our EPC Business's revenue over this period. Two of our largest completed projects, the storage tanks and terminal facilities at Sohar Industrial Port, Oman for Oiltanking Odfjell Terminal Company and the offsite and storage facilities for the Naphtha Cracker at Panipat for Indian Oil were completed in June 2009 and March 2010, respectively generating revenue of Rs. 5,958.45 million and Rs. 12,832.40 million, respectively. As of June 30, 2010, our EPC Order Book, which represents the estimated contract value of the unexecuted portion of our existing EPC contracts, including contracts for internal development projects that do not directly generate external revenues, was Rs. 28,588.39 million. Our EPC Order Book includes the Paradip Refinery Storage Terminal, a 1,410,435 kiloliter crude and petroleum products tankage facility for Indian Oil's 15 MMTPA oil refinery at Paradip that we are constructing on a BOOT basis. The Paradip Refinery Storage Terminal is our largest EPC project to date, which we were awarded on the basis of an internationally competitive bid. Our EPC Order Book has grown from Rs. 3,001.09 million as of March 31, 2006 to Rs. 29,160.27 million as of March 31, 2010, which represents a CAGR of 76.6%.

For the years ended March 31, 2006, 2007, 2008, 2009 and 2010, our EPC Business generated revenue of Rs. 2,898.21 million, Rs. 4,504.79 million, Rs. 10,240.65 million, Rs. 14,518.63 million and Rs. 13,552.23 million, respectively, which constituted 83.3%, 88.5%, 93.2%, 92.0% and 89.0% of our total consolidated revenue, respectively. For the year ended March 31, 2006 to the year ended March 31, 2010, revenues from our EPC Business grew at a CAGR of 47.1% and EBIT for our EPC Business grew at a CAGR of 62.4%.

We began operating our first terminal in 1998 and are one of the leading independent terminalling companies in India. Our Terminalling Business provides independent tank terminalling services for the receipt, storage, despatch and handling of crude oil and petroleum products. We are also engaged in bottling of LPG and dewatering of crude oil and provide into-plane services at a private sector international airport in south India and the New Delhi

International Airport. The customers of our Terminalling Business include major oil companies in India such as Indian Oil, ONGC, OIL, Essar and Shell MRPL Aviation Fuel and Services Private Limited.

Our ability to offer our customers a variety of ownership and operational business models such as BOOT, BOO, BO and O&M by combining our competencies in terminal operation and EPC services has enabled us to grow our operations to 16 terminals with 1.10 million kiloliters of storage capacity. We currently own and operate three of these terminals on an open access basis. We also expect to begin operating and maintaining the Paradip Refinery Storage Terminal by January 2012.

For the years ended March 31, 2006, 2007, 2008, 2009 and 2010, our Terminalling Business generated revenue of Rs. 581.77 million, Rs. 583.34 million, Rs. 651.31 million, Rs. 1,070.58 million and Rs. 1,218.00 million, respectively, which constituted 16.7%, 11.5% 6.0%, 6.8% and 8.0% of our total consolidated revenue, respectively. For the years ended March 31, 2006 to March 31, 2010, our revenues from the Terminalling Business grew at a CAGR of 20.3% and EBIT for our Terminalling Business grew at a CAGR of 13.2%.

Our Upstream Services Business provides integrated directional drilling services and seismic services. We acquired Newsco Asia in August 2008 to exploit the opportunities presented by increased use of directional drilling by the Indian national oil and gas companies with which we have relationships through our EPC Business and Terminalling Business.

Through our acquisition of Newsco Asia, we have access to directional and horizontal drilling technology, as well as research and development and a strong presence in directional drilling services in India. We subsequently entered into the seismic services business and are undertaking our first contract for providing seismic services in difficult terrain at Karbi Anglong, Assam for OIL. For the years ended March 31, 2009 and 2010, our Upstream Services Business generated revenue of Rs. 185.13 million and Rs. 448.70 million, respectively, which constituted 1.2% and 2.8% of our total consolidated revenue, respectively. The EBIT for our Upstream Services Business amounted to Rs. 123.91 million and Rs. 85.00 million for the years ended March 31, 2009 and 2010, respectively.

To commence our Renewable Energy Business, we have formed a joint venture with Mabagas, which has expertise in biogas plants, in order to identify, develop, build, own and operate biogas and biogas-based power plants in India.

We are a professionally managed organisation, with over 2,500 employees as of March 31, 2010. We believe we operate world class HSSE systems, processes and practices and view the safe operation of our businesses as critical to our success. In particular, we seek to follow the international standards of Oiltanking in our Terminalling Business and the OSHA and OISD192 guidelines and practices in our EPC Business. For the year ended March 31, 2006 to the year ended March 31, 2010, we achieved 78 million man-hours without a reported incident and provided approximately one million man-hours of professional HSSE training. Our construction sites for the intermediate crude oil storage terminal and pumping facilities for Viramgam Terminal for the Barmer Salaya Pipeline Project at Viramgam for a British oil and gas company, the civil, structural and underground piping works for Offsite 2 for the Panipat Refinery Expansion Project for Indian Oil and the design, fabrication and erection of crude oil storage tanks at Paradip for Indian Oil have been certified OHSAS 18001:2007. Two of our owned terminals, the ZIOL terminal in Goa and the CPCL LPG Bottling Plant in Chennai operate under ISO 9001:2008 and 14001:2004.

For the years ended March 31, 2006, 2007, 2008, 2009 and 2010, our total consolidated revenue was Rs. 3,479.98 million, Rs. 5,088.13 million, Rs. 10,891.96 million, Rs. 15,774.34 million and Rs. 15,218.93 million, respectively, which constituted a CAGR of 44.6% over the five year period. For the years ended March 31, 2006, 2007, 2008, 2009 and 2010, our EBIT was Rs. 466.72 million, Rs. 514.04 million, Rs. 992.29 million, Rs. 2,196.34 million and Rs. 2,344.48 million, respectively, which constituted a CAGR of 49.7%.

For the years ended March 31, 2006, 2007, 2008, 2009 and 2010, the total consolidated revenue of our construction and engineering segment, which primarily includes our EPC Business and our Upstream Services Business was Rs. 2,898.21 million, Rs. 4,504.79 million, Rs. 10,240.65 million, Rs. 14,703.76 million and Rs. 14,000.93 million, which constituted a CAGR of 48.3%. For the years ended March 31, 2006, 2007, 2008, 2009 and 2010, the EBIT of our construction and engineering segment was Rs. 261.53 million, Rs. 334.22 million, Rs. 391.65 million, Rs. 2006.57 million and Rs. 1,903.87 million, respectively, which constituted a CAGR of 64.3%.

For the years ended March 31, 2006, 2007, 2008, 2009 and 2010, the total consolidated revenue of our terminalling segment was Rs. 581.77 million, Rs. 583.34 million, Rs. 651.31 million, Rs. 1,070.58 million and Rs. 1,218.00 million, which constituted a CAGR of 20.3%. For the years ended March 31, 2006, 2007, 2008, 2009 and 2010, the earnings before interest and tax of our terminalling segment was Rs. 255.65 million, Rs. 241.88 million, Rs. 262.42 million, Rs. 407.42 million and Rs. 420.23 million, respectively, which constituted a CAGR of 13.2%.

Competitive Strengths

A complementary portfolio of businesses focused on the oil and gas sector

Our businesses are complementary to each other and enable us to capture select opportunities along the oil and gas value chain through our long-standing relationships with the major Indian national oil and gas companies. Our complementary businesses have also enabled us to expand our service offerings to other sectors such as infrastructure, metals and power. Our business originally consisted of independent tank terminalling services for petroleum products, which enabled us to develop relationships with the major Indian national oil and gas companies, including downstream companies such as Indian Oil, and upstream companies such as ONGC that dominate the Indian oil and gas sector. We leveraged on our experience in construction and operation of terminals to enter into the EPC business, initially relating to tank farms where we held core expertise, and expanded our customer base to include other major players in the Indian oil and gas sector such as OIL. To further leverage our expertise and customer base in the Indian oil and gas industry, we entered into the Upstream Services Business in August 2008 through the acquisition of Newsco Asia, a leading provider of directional drilling services in India, which expanded the product offering we are able to provide to our and Newsco Asia's existing customers. We have also organically expanded our Upstream Services Business to become a seismic service provider and are providing seismic services in difficult terrain at Karbi Anglong, Assam for OIL.

We believe our EPC Business now provides us with a competitive advantage in our other business lines, including our Terminalling Business and Upstream Services Business, and will assist our entrance into the Renewable Energy Business. Our EPC Business often serves as an entry point to provide end-to-end services in the oil and gas industry. We have emerged as an integrated player in petroleum products terminalling where we are increasingly undertaking both the EPC services for, and the subsequent operation and maintenance of, petroleum product terminals, including the Indian Oil Terminal in Dumad, near Vadodara, Gujarat, the OIL Crude Oil Terminal and Processing Facility in Tengakhat, Assam, the CPCL LPG Terminal in Chennai, the aviation turbine fuel tankfarm and hydrant system work farm at a private sector international airport in south India and the upcoming Paradip Refinery Storage Terminal at Paradip, Orissa.

Across our portfolio of businesses, we believe we are well positioned to benefit from the expected growth in the oil and gas sector in India that will result from the Government's plans of decreasing India's dependence on oil imports and its continued efforts toward market-determined pricing for petroleum products, which is expected to result in increased investment into the Indian oil and gas sector by both public and private players, as well as the development of strategic reserves, which is expected to increase the requirement for crude oil and petroleum products storage and infrastructure in India.

Strong, stable entrepreneurial management team

We are a professionally managed organisation. We believe we have a strong, stable and entrepreneurial management team with domestic and international experience in each of our businesses. Our managers and professional staff also have domain knowledge and experience across our various businesses, which contributes to our understanding of the sector-specific aspects of our business.

As our business has grown through expansion, diversification and acquisitions, our management team comprises internal talent, campus recruitments, lateral recruitments and managers of acquired companies. We have been professionally managed since our inception and a majority of our key managerial personnel have been developed internally. Our Non-Executive directors are senior professionals with considerable experience in their respective fields, including banking, management, education and oil and gas.

We believe that we benefit from an extensive human resources base primarily comprised of skilled engineers and professional managers. We constantly endeavour to attract and retain our employees through growth opportunities, benchmarking of remuneration and training and development.

Proven capabilities

We believe that our knowledge of the local market, technology and complementary capabilities enable us to leverage opportunities for our business across industry sectors and geographies, as well as diversify our risks. We believe that our track record of growth, project execution and quality control provide us with a further competitive advantage.

The success of our EPC Business is supported by our track record of completed projects, including 13 large projects, each of which generated revenues in excess of Rs. 250.00 million since April 1, 2005. Our track record enables us to pre-qualify for certain high value EPC tenders and to evaluate potential projects, understand and assess project risks, including complex technologies, difficult terrain or the viability of fixed price contracts, to selectively enter into markets or accept projects where we believe we have a competitive advantage.

We have been operating terminals in India since 1998. Our ability to offer our customers a variety of ownership and operational business models by combining our competencies in terminal operation and EPC services has enabled us to grow our operations to 16 terminals with a capacity of 1.10 million kiloliters of storage capacity. We currently own and operate three of these terminals on an open access basis. We also expect to begin operating and maintaining the Paradip Refinery Storage Terminal by January 2012. We believe our experience with the public sector companies in India also provides us with an advantage when bidding for EPC, Terminalling or Upstream Services projects in India, given the dominance of the public sector companies in the oil and gas sector in India.

Within our Upstream Services Business, our acquisition of Newsco Asia provides us with a proven track record in directional drilling in India. We believe our access to the Measurement While Drilling ("**MWD**") technology and research and development capabilities of Newsco Asia provides us with an advantage when competing for upstream services projects in India. We are providing seismic services in difficult terrain at Karbi Anglong, Assam for OIL and we intend to leverage on this success by bidding for similar projects.

Renowned Promoters with a shared vision for the growth of our business

Our Promoters are renowned organisations and leaders in their fields, which provides us access to knowledge, experience and business opportunities. Indian Oil is India's largest petroleum refining and marketing company by sales and the highest ranking Indian company in the Global Fortune 500. It has a market share of over 48% (*Source: IOC Website*) of the petroleum products market in India, controls 10 of India's 20 refineries (*Source: Petroleum Planning and Analysis Cell, Ministry of Petroleum & Natural Gas*), which equates to 34% (*Source: IOC Website*) of India's total refining capacity, and operates approximately 72% (*Source: Petroleum Planning and Analysis Cell, Ministry of Petroleum & Natural Gas*) of the downstream sector pipeline capacity in India. Oiltanking is one of the world's leading independent storage companies for oil, chemicals and gas. Oiltanking owns and operates 70 independent tank terminals and marine facilities in 21 countries in four continents. Our access to Indian Oil and Oiltanking as Promoters provides us with access to extensive experience and technical expertise and global best practices, particularly in our Terminalling Business, and access to markets world-wide with respect to our EPC Business and our Upstream Services Business.

Strong domestic presence with growing international operations

We are among India's leading EPC companies in the oil and gas industry, an independent terminalling company and a provider of directional drilling services. We have a presence in several countries outside of India, including Oman, Singapore and Indonesia and have executed projects in the Middle East, Mauritius, Africa and South East Asia. Our internationally renowned Promoters, joint venture partners such as Mabagas, Skytanking and Katoen Natie and technical collaborators such as Newsco Services, Kazakhstan Caspi Shelf ("**KCS**") and PT Elnusa Tbk ("**Elnusa**") help us position ourselves as a service provider of global standards. We believe that our track record has helped us establish a strong reputation in India and internationally.

We believe that our track record and experience within the public sector companies in India will help us to capitalise on captive and multi-user terminalling opportunities. We have also entered into a joint venture with Skytanking for developing, operating and maintaining aviation fuel farm facilities and into-plane refuelling services.

We have increased our access to international markets with the acquisition of Newsco Asia and our investment in Newsco Services through Newsco Asia, which enables us to grow our Upstream Services Business in 28 Asian countries. In our EPC Business, international operations accounted for more than 19.8% of the revenues for the year ended March 31, 2010, primarily through our operations in Oman.

Strong growth, sound financial profile and a healthy order book

We strive to maintain a solid financial position while increasing our revenues and maintaining our profitability.

Our long term loan domestic rating is AA- and our short term loan domestic rating is F1+ as rated by Fitch in November 2009. We believe the strength of our balance sheet enables us to effectively pursue expansion efforts and new business opportunities in India and internationally and manage unanticipated cash flow variation.

Our revenues have grown at a CAGR of 44.6% over the five years ended March 31, 2010 and our profits before tax have grown at a CAGR of 51.5% over the same period.

During recent challenging economic circumstances, our EPC Order Book grew from Rs. 20,059.48 million for the year ended March 31, 2008 to Rs. 29,160.21 million for the year ended March 31, 2010, which we believe is a result of our complementary businesses, project management credentials and expertise in key sectors. New order inflow also grew by 189.4% during the same period. Over the last five years, our EPC Order Book grew at a CAGR of 76.6%. Orders individually in excess of Rs. 3,000.00 million constituted approximately 85.8% of the total value of our order inflows for the year ended March 31, 2010, emphasising our focus on large orders and our ability to win such orders. For further information relating to our EPC Order Book, see "EPC Business – EPC Order Book" in the section "Business" beginning on page 73 of this Draft Red Herring Prospectus.

Technology, research and development and know-how

We benefit from our access to advance technology, research and development and know-how of our Promoters and joint venture and technology partners, particularly the terminalling capabilities of global standards from Oiltanking, aviation fuel handling capability of Skytanking, seismic services of Elnusa and KCS, biogas plant capabilities of Mabagas and integrated directional drilling technology, (including MWD technology), of Newsco Asia and Newsco Services. We have upgraded our capability to provide entry level logging while drilling ("**LWD**") services to enable us to overcome challenging drilling requirements and changing customer needs.

For the design and engineering services of our EPC Business, we use advanced software technology including HYSIS, PDS, ETAP and Intools. For our Terminalling Business, we leverage on the design capability strengths of our EPC Business, international best practices and the standards of Oiltanking in engineering and operations. We adopt stringent HSSE policies, in line with those of Oiltanking.

Business Strategy

We intend to pursue the following principal strategies:

Pursue segments within the oil and gas industry that enable us to leverage our core areas of expertise

We intend to leverage our core areas of expertise to continue to grow our presence in the oil and gas sector. We have increasingly become involved in larger oil and gas-related projects and intend to pursue higher value projects of greater complexity where our track record and expertise provide us with a competitive advantage. For example, we expect to continue to leverage on our track record in project execution and expertise in terminal operation to offer integrated terminal construction and operation services through a variety of ownership structures. Our core competencies within oil and gas EPC services extend to offsites and utilities and we believe we will be able to continue to attract opportunities in this sector. We have also expanded our competencies into process units through our project relating to the DCU process plant project at Guwahati for Indian Oil's refinery, which we believe expands the EPC opportunities that will become available to us within the oil and gas sector. Further, we intend to undertake process-related projects of increasing complexity and value over time.

As a leading independent terminal operator in India, we believe we have developed the expertise to identify and execute new terminalling opportunities through the extension of our existing terminal facilities and the creation of new terminals.

We intend to further increase our upstream services capability by offering a full suite of integrated drilling services to complement our core competency of directional drilling. We also intend to develop our seismic acquisition capabilities to cover onland 3D services, transition zone services and offshore services.

Leverage our core competencies into other sectors which offer growth potential

We intend to leverage our EPC capabilities and track record to selectively diversify into other high growth segments where we believe we enjoy competitive advantages. We have established a foothold in certain infrastructure-related EPC markets outside of the oil and gas sector, such as power, metals and cement, and will continue to pursue projects within these sectors to develop the track record and expertise necessary to become a player in the higher end of these segments. For example, we expect our offsite and utilities and process experience within the oil and gas sector to complement our foothold in the power sector to enable us to win a broader array of power-related projects, such as balance of plant and construction. We also believe that our experience within the EPC segment will enable us to gain a foothold in the small hydro power plant sector. Similarly, we believe our experience in bulk liquid storage facilities and piping will translate into opportunities to enter into the water management EPC segment.

For our Terminalling Business, we intend to leverage our expertise, track record and long-standing customer relationships to target new segments, such as chemical terminals, which we believe will offer us high potential for growth and where we will also benefit from the expertise and proven track record of Oiltanking and its portfolio of international customers.

Expand our business through acquisitions, strategic alliances and technology sharing arrangements

We intend to expand our existing business into related business areas through acquisitions, strategic alliances and technology sharing arrangements where we identify market opportunities.

Within EPC, we will seek experienced and qualified EPC contractors to pursue business areas in which we may lack the foothold experience or core competency. Over time, we will seek to leverage such joint experience to internalise our competencies in new EPC segments. Similarly, to build on our success in capturing a greater portion of the EPC value chain through our acquisitions of piping and mechanical construction companies, we will continue to pursue acquisitions of companies that enable us to capture a larger portion of the value chain.

Within the Terminalling Business, we have formed a joint venture with Katoen Natie, a leading global logistics provider in order to leverage our core expertise in terminals to enter into the terminalling business for special chemicals in solid form and polymers in India. Our strategy is aligned to Oiltanking's global strategy of entering into dry bulk handling operations.

For our Renewable Energy Business, we have formed a joint venture with Mabagas, a Promoter Group company and an international biogas player, and we intend to draw upon our EPC experience to develop, operate and maintain biogas plants and biogas-based power plants in India in collaboration with Mabagas.

We will also selectively enter new business lines, particularly in the oil and gas sector, where we believe we can leverage on our existing relationships with the major domestic players. For example, we increased our presence in the oil and gas sector with the acquisition of Newsco Asia in August 2008. Our acquisition of Newsco Asia provides us access to directional drilling technology, which we now offer to our existing customer base.

We may enter into strategic alliances to explore opportunities or acquire companies with proven track records in other identified sectors, including offshore EPC operators and companies with seismic data analysis and 3D-seismic capabilities.

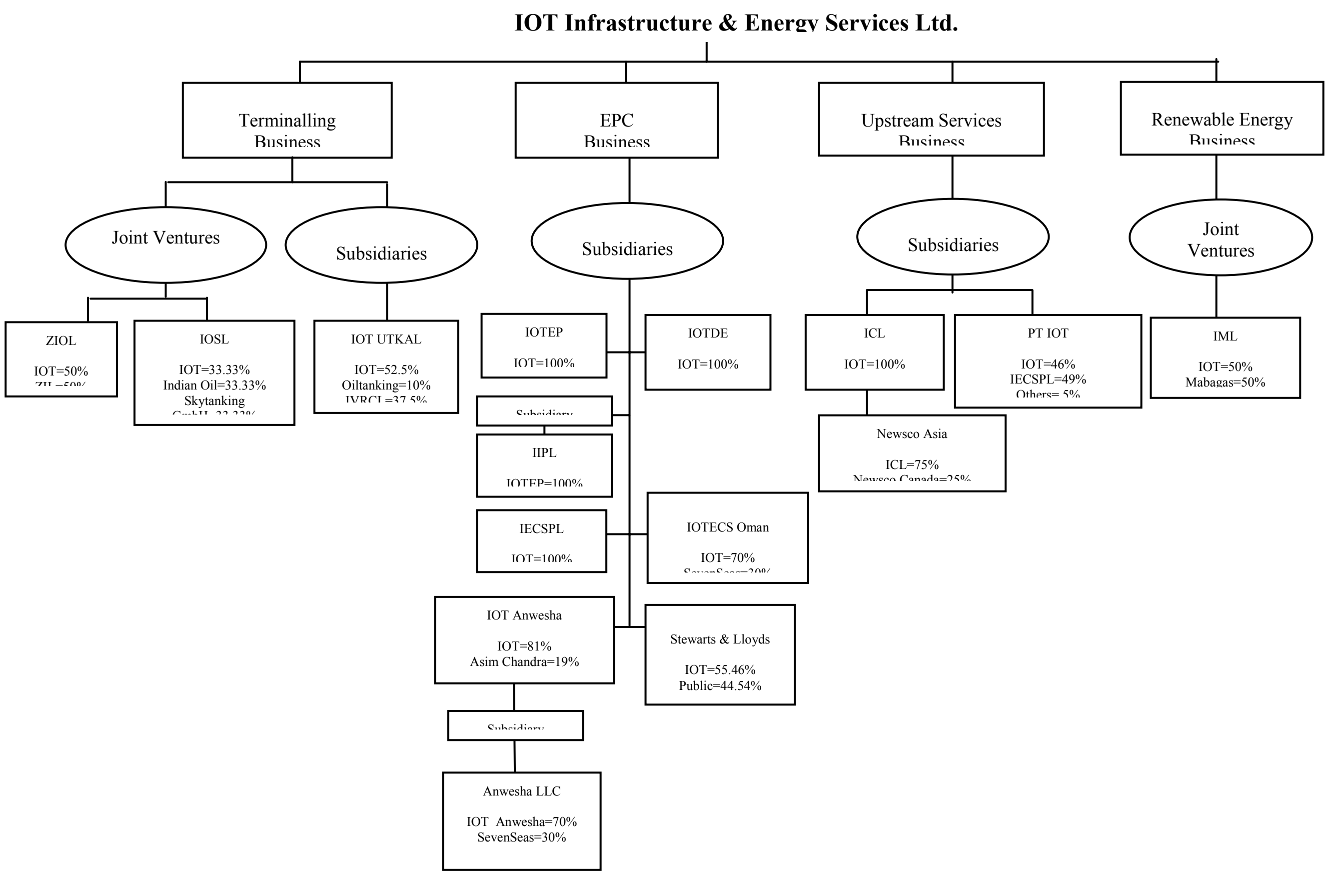
Increase our international footprint

We intend to continue to grow our international presence to create a global brand, access opportunities provided by overseas markets as well as spread the geographical risks of our EPC Business and Upstream Services Business. We believe that we have gained the necessary knowledge, network and experience through our exposure to operations in the international markets and through marketing best practices of Oiltanking which we believe will help us to increase our competitiveness internationally and in India. We intend to grow in the markets of the Middle East and South East Asia where we have established a presence.

We have entered into a non-binding term sheet to acquire a 60.0% equity interest in Newsco Canada. If the proposed Newsco Canada acquisition is consummated, we intend to consolidate Newsco Asia with Newsco Canada and fund the acquisition of Newsco Canada through a combination of shares of Newsco Asia and cash. We believe the proposed Newsco Canada acquisition provides us with access to the global directional drilling market and the competitive advantage of exclusive access to Newsco Canada's directional drilling technology, research and development and MWD tools on a global basis. We believe Newsco Canada's business will benefit from access to our financing and business development capabilities.

Corporate Structure

We operate our businesses directly and through our subsidiaries and joint ventures. The following chart sets forth the summary of our corporate structure (For further information, see the section "Subsidiaries and Joint Ventures" beginning on page 130 of this Draft Red Herring Prospectus) as at the date of this Draft Red Herring Prospectus:



EPC Business

Overview

Our EPC Business provides integrated engineering, procurement and construction services to the oil and gas sector as well as the power, infrastructure, steel, cement and fertilizer sectors. We believe we have developed core competencies in project management, design optimisation and large-scale procurement and capture a significant portion of the EPC value chain through our execution expertise in construction services.

We provide our EPC services through the following subsidiaries:

- IOTDE, a wholly owned design and engineering services company;
- IOT Anwesha, a specialist tank construction company in which we hold an 81.0% equity interest;
- Stewarts & Lloyds, a specialist piping construction company that is publicly listed in India and in which we hold a 55.5% equity interest;
- IOTECS Oman, which provides EPC services for the energy sector in Oman; and
- IOTEP, a wholly owned project construction services company.

For the years ended March 31, 2006, 2007, 2008, 2009 and 2010, our EPC Business generated revenue of Rs. 2,898.21 million, Rs. 4,504.79 million, Rs. 10,240.65 million, Rs. 14,518.63 million and Rs. 13,552.23 million, respectively, which constituted 83.3%, 88.5%, 93.2%, 92.0% and 89.0% of our total consolidated revenue, respectively. For the year ended March 31, 2006 to the year ended March 31, 2010, revenues from our EPC Business grew at a CAGR of 47.1% and EBIT for our EPC Business grew at a CAGR of 62.4%.

We operate our EPC Business primarily in India and Oman. The following table provides a breakdown of our EPC Business revenues by country and the percentage such amount represented of our total EPC Business Revenues for the years ended March 31, 2008, 2009 and 2010.

(Rs. in Million, except percentages)

Country	For the years ended March 31					
	2008		2009		2010	
	Amount	%	Amount	%	Amount	%
India	8,142.37	79.5	10,501.13	72.3	10,870.22	80.2
Other	2,098.28	20.5	4,017.50	27.7	2,682.01	19.8
Total	10,240.65	100.0	14,518.63	100.0	13,552.23	100.0

We have also established offices in Indonesia and Dubai.

The customers of our EPC Business include Indian Oil, Oiltanking Odfjell Terminals & Co. LLC, OIL, ONGC, Anrak Aluminium Limited, Doosan and HPCL.

The following table provides a breakdown of our EPC Business revenues by industry and the percentage such amount represented of our total EPC Business revenues for the years ended March 31, 2008, 2009 and 2010.

(Rs. in Million, except percentages)

Industry	For the years ended March 31					
	2008		2009		2010	
	Amount	%	Amount	%	Amount	%
Oil and gas	9,086.75	88.7	13,661.23	94.1	12,588.16	92.9
Other[(1)]	1,153.90	10.3	857.40	5.9	964.07	7.1
Total	10,240.65	100.0	14,518.63	100.0	13,552. 23	100.0

[(1)] Other includes infrastructure, power, fertilizers, cement and metals.

Services

We categorise our EPC Business' services into four broad categories: design and engineering services, procurement services, construction services and project management services. Our EPC Business offers these services on a fully integrated basis and individually.

Design and Engineering Services

Our design and engineering expertise ranges from basic design packages for various oil and gas facilities, residual basic engineering for licensed process units, basic design packages for integrated utilities and offsite facilities, traditional engineering disciplines such as piping, mechanical, electrical, control systems, civil, structural and architectural and advanced engineering specialities such as process engineering, simulation, enterprise integration, integrated automation processes and interactive 3-D modelling. We provide feasibility studies, technology evaluations, risk management assessments, asset integrity checks, residual life assessments and front-end engineering services for oil and gas terminals. We also provide conceptual design services, which enable us to align each project's function, scope, cost and schedule with our customers' objectives.

Procurement Services

Our procurement services include traditional procurement services such as strategic sourcing from India and internationally through the Oiltanking network of companies, material management, contract management, buying, expediting, supplier quality inspection and logistics.

Construction Services

Our construction services include comprehensive site fabrication, erection and construction services. We provide skilled manpower and specialised construction equipment and machinery. Our construction services also include selection of construction contractors, resource suppliers, warehouse management, quality control and assurance and progress monitoring and scheduling. As part of construction services, we also mobilise and demobilise resources by engaging sub-contractors to supplement our resources or through management of our strategic alliance construction partners. We undertake total site responsibility from survey and soil investigation to mechanical completion and assistance in commissioning. We also undertake pre-fabrication work at our workshops in Kolkata and Vadodara.

Project Management Services

Our customers typically have third party project managers for our larger projects. For our smaller projects, we typically offer project management as part of our integrated services. Our project management services are typically offered as an integrated service, and include commissioning services such as pre-commissioning and commissioning assistance. These services include delivery of plant readiness, start-up and commissioning, as well as conducting performance guarantee tests. We review process and engineering design documents with respect to operability and safety matters, and prepare operating manuals for plants providing instructions for safe start-up, shutdown and handling various emergencies. We also provide various guidelines and supervise pre-commissioning and commissioning.

We provide project management services including developing project execution plans, detailed schedules, cost forecasts, progress tracking and reporting, and the integration of the engineering, procurement, logistics and construction efforts.

We act either as a lead contractor or as a consortium member. In the role of lead contractor, we typically assume responsibility for overall project management and supervision, including engineering, planning, quality assurance and quality control. The sub-contractors chosen by us for certain construction activities are responsible for providing their own skilled and unskilled labour, together with materials, machinery and equipment. The project owner generally approves the identity of the sub-contractors but we remain responsible to the project owner for the construction work.

Pre-qualification and Project Tenders

Our EPC Business typically pursues projects within the oil and gas, cement, power and metal sectors that are awarded pursuant to a competitive bidding process that includes domestic and international EPC firms. We typically bid for projects which are aligned to our business strategy by enabling us to capture a significant portion of the EPC value chain, as well as those that enable us to diversify and leverage our expertise. In selecting contractors or consultants for major EPC projects, customers generally limit the tender to contractors they have pre-qualified based on several criteria including experience, technological capacity and proven track record, reputation for quality, safety record, financial strength and size of previous contracts in similar projects. Within these areas, we seek to enhance our pre-qualification status through concentrated marketing efforts focussed at major oil and gas companies and infrastructure development agencies and entities. For project-types that we are not typically able to pre-qualify independently, such as particularly high value projects or those requiring specialised project skills outside our competencies, we seek to form strategic alliances with other experienced and qualified EPC contractors. Following pre-qualification, price is generally the most important selection criterion for winning EPC project awards.

Because of the significant cost and management resources required in preparing a bid for a large contract, we selectively bid for projects based on the customer's reputation and financial strength, our relationship with the customer, the geographic location and the complexity of the work, our current and projected workload, the likelihood of additional on-going work, the project cost and profitability estimates, and our competitive advantage relative to other potential bidders. Each project is carefully analysed, and prior to bidding we estimate the costs and analyse the financial and technical aspects of the project. The bid estimate forms the basis of a project budget against which performance is tracked through a project cost system, enabling our management to monitor projects continuously.

As part of the bidding process, we try to obtain quotes from various sub-contractors for the anticipated works to be sub-contracted including piling or enabling works and civil construction works. Typically, we obtain quotes from three or four reputed sub-contractors during the bidding and post-award stage. We select the sub-contractor on the basis of technical and financial bids received and typically opt for the most competitive bid. We subsequently enter into a sub-contract agreement or place a work order with the lowest bidder.

We believe the terms of the EPC contracts entered into by us with Indian Oil and Oiltanking are consistent with EPC contracts entered into on an arms length basis.

Forms of Contracts and Contract Management

We typically provide our EPC services on a fixed price basis. However, during the year ended March 31, 2009, we entered into a single cost plus EPC contract for the construction of offsite facilities and utilities (EPCC 6B) Package for the residue upgradation and quality improvement project at the Gujarat Refinery at Vadodara for Indian Oil.

The following table provides a breakdown of our EPC Business revenues by type of contract and the percentage such amount represented of our total EPC Business revenues for the years ended March 31, 2008, 2009 and 2010.

(Rs. in Million, except percentages)

	For the years ended March 31					
	2008		2009		2010	
Contract Revenue Type	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Fixed fee	10,240.65	100.0	11,309.16	77.9	9,844.95	72.6
Cost Plus[(1)]	-	-	3,209.47	22.1	3,707.28	27.4
Total	10,240.65	100.0	14,518.63	100.0	13,552.23	100.0

[(1)] *Under our cost plus contract, we are entitled to reimbursement of cost of materials to be procured which constitute a permanent part of the plant and cost of services required for completion of the project based on the lowest competitive bid approved by the customer. We are also entitled to a mark-up fee as a percentage of the reimbursable costs towards our expenses, overheads and profits. All taxes and duties, as applicable are reimbursed at the prevailing rates at the time of making payment of the mark-up fee.*

Under our fixed price EPC contracts, the total consideration is typically set by the amount we bid for the project, subject to any change of work orders prior to or during project execution, and we are typically entitled to receive milestone payments under EPC contracts under the terms of each contract in which we have bid. We typically aim to achieve milestone payments that will yield equal payments at regular intervals over the life of the project based on our estimation of completion times of various aspects of the project.

Our contracts typically provide for a resource mobilisation advance payment of approximately 10.0% against a submission of a corresponding bank guarantee. Typically, 75.0% of the total contract value is linked to achievement of milestones, 10.0% is linked to achievement of mechanical completion and the balance of 5.0% is linked to the commissioning of the project. Milestones are generally required to be certified by the customer's project management consultant or engineer in order for the related milestone payment to become due and payable. Usually, we provide a bank guarantee of 10.0% of the contract value to the customer to ensure our performance under the contract and to cover possible claims during the defect liability period. This bank guarantee is valid for the term of the contract, including the defect liability period.

Our fixed price contracts typically do not provide index based variable-price terms for any costs associated with the project, including commodity costs such as steel. Generally, our contracts contain a clause for compensation for any change in law affecting taxes and duties.

The contract commences on receipt of the letter of award from the customer. We undertake the necessary formalities in respect of mobilisation at site in consultation with the customer and typically submit initial deliverables in accordance with the contract, such as EPC or construction schedules and bank guarantees. During the execution of work, we typically record and notify the customer of delays including the non-availability of fronts, approvals, drawings and decisions by the customer or change of work orders. We also provide cost and time implications in respect of such delays and changes. We typically get provisional extension of time to complete the project. The customer typically reviews the entire extension of time including issues of reduction in price or payment of damages by us, once the project gets mechanically completed and/or commissioned.

A majority of our projects typically have a completion schedule of 24 to 36 months and defects liability period of 18 months from mechanical completion or 12 months from commissioning, whichever is earlier. The customer typically releases the bank guarantee on the completion of the defects liability period.

Completed Projects

The following table provides a summary of projects with a contract value in excess of Rs. 260.00 million completed by our EPC Business during the years ended March 31, 2008, 2009 and 2010.

Project Description	**Total contract value *(Rs. in million)***	**Industry**	**Date of completion**	**Contract type**	**Services provided**
Offsite and storage facilities for the Naphtha Cracker at Panipat for Indian Oil	12,832.40	Oil and Gas	March 2010[1]	Fixed Price	EPC
Storage tanks and terminal facilities at Sohar Industrial Port, Oman for Oiltanking Odfjell Terminal Company	5,985.45	Oil and Gas	Phased completion from August 2008 through June 2009	Fixed Price	EPC

Project Description	**Total contract value *(Rs. in million)***	**Industry**	**Date of completion**	**Contract type**	**Services provided**
Intermediate crude oil storage terminal and pumping facilities for Viramgam Terminal for the Barmer Salaya Pipeline Project at Viramgam for a British oil and gas company	1,389.08	Oil and Gas	March 2010[(2)]	Fixed Price	EPC
Marketing terminal project at West Bengal for a public sector refinery	782.43	Oil and Gas	June 2009	Fixed price	EPC
Aviation turbine fuel tankfarm and hydrant system work farm at a private sector international airport in south India	732.34	Oil and Gas	April 2008	Fixed Price under BOOT arrangement[(3)]	EPC
Design, fabrication and erection of crude oil storage tanks at Paradip for Indian Oil	603.72	Oil and Gas	April 2007	Fixed price	EPC
Offsite tankage works for the Panipat Refinery Expansion Project for Indian Oil	550.12	Oil and Gas	November 2006	Fixed price	EPC
Civil, structural and underground piping works for Offsite 2 for the Panipat Refinery Expansion Project for Indian Oil	529.35	Oil and Gas	February 2006	Fixed price	EPC
OIL Crude Oil Terminal and Processing Facility in Tengakhat, Assam	529.20	Oil and Gas	February 2007	Fixed price	Construction
Laying of cross-country pipeline and associated facilities for the Numaligarh to Siliguri pipeline expansion project for OIL	498.55	Oil and Gas	June 2008	Fixed price	Construction and Procurement
Revamping of gas gathering station-1 (GGS-1) at Rudrasagar (Assam) for ONGC	489.99	Oil and Gas	March 2010	Fixed price	EPC
Mechanical and piping work for a petrochemical plant in Eastern India	370.86	Petrochemicals	May 2010	Fixed price	Construction and Procurement

Project Description	Total contract value *(Rs. in million)*	Industry	Date of completion	Contract type	Services provided
Mechanical works including piping and equipment erection and allied works at Mathura for Indian Oil	262.32	Oil and Gas	January 2010	Fixed price	Construction and Procurement

(1) *Mechanical completion was to be completed by August 28, 2006, with commissioning completed two months thereafter. However, the certificate of completion and commissioning was issued dated March 13, 2010. We have submitted a consolidated application for an unconditional extension of time without price discount to the PMC contractor.*

(2) *A certificate of mechanical completion was issued on March 30, 2010 and the project is now in its 12 month warranty period. The original scope of work indicated required that mechanical completion occur by December 31, 2008, which was further extended to April 30, 2010 by letter dated March 16, 2010, subject to such extension being without prejudice to the customer's rights, including the right to claim liquidated damages from the original completion date of March 31, 2009.*

(3) *The capital costs of the project are recovered by way of a facility fee which covers the capital costs plus a fixed return, operating charges and a fixed fee per kiloliter of fuel supplied. The tank farm is operated pursuant to the terms of the BOOT arrangement through IOSL in which we have a 33.3% equity interest. For information on the aviation turbine fuel tankfarm and hydrant system work at a private sector international airport in south India, see "BOOT Terminals" in the section "Business" beginning on page 73 of this Draft Red Herring Prospectus.*

EPC Order Book

Our EPC Order Book represents the estimated contract value of the unexecuted portion of our existing EPC contracts, including contracts for internal development projects that do not directly generate external revenues. The Order Book of our EPC Business as of June 30, 2010 was Rs. 28,588.39 million. However, each of our EPC contracts may be amended during the course of performance. Accordingly, the information in the tables in this section may be subject to change as work on the projects progress.

The following table provides a summary of our EPC Order Book as of June 30, 2010.

Project Description	Contract Value (Rs. in million)[(1)]	Unexecuted portion as on June 30, 2010	Industry	Expected date of completion	Contract type	Services provided
Installation of crude and finished products tankages facilities for the Paradip Refinery Storage Terminal at Paradip for Indian Oil	19,250.00[(2)]	16,026.43	Oil and Gas	January 2012	Fixed Price	EPC
Works in relation to the top side facilities for the storage of crude oil project at Andhra Pradesh	3,937.75	3,844.67	Oil and Gas	April 2012	Fixed Price	EPC
Construction of a coke drum system package for the DCU process plant project at Guwahati for Indian Oil's refinery	2,095.67	2,032.39	Oil and Gas	January 2012	Fixed Price	EPC

Project Description	Contract Value (Rs. in million)[(1)]	Unexecuted portion as on June 30, 2010	Industry	Expected date of completion	Contract type	Services provided
Works (Phases 4 and 5) in connection with the storage tanks and terminal facilities at Sohar Industrial Port, Oman for Oiltanking Odfjell Terminal Company	3,391.00[(3)] (Value only for phase 4 and 5)	1,488.72[(3)] (Value only for phase 4 and 5)	Oil and Gas	May 2011 (Phase 5) July 2011 (Phase 4)	Fixed Price	EPC
Major civil works for the Bhagyam field development project in Rajasthan for a British oil and gas company	829.14	829.14	Oil and Gas	September 2010	Fixed Price	EPC
Mechanical works at Panipat for Indian Oil's refinery	1,402.18	768.84	Oil and Gas	September 2010	Fixed Price	EPC
Construction of offsite facilities and utilities (EPCC-6B Package) for the residue upgradation and quality improvement project at the Gujarat Refinery at Vadodara for Indian Oil[(4)]	8,309.20	542.95	Oil and Gas	September 2010	Cost Plus	EPC
Construction of the number 2 Boiler Island for a thermal power project in Haryana	492.92	407.78	Power	September 2011	Fixed Price	Procurement and Construction
Mechanical fabrication and erection works for DCU heaters for the coker heater project at Paradip	372.02	372.02	Petrochemical	September 2011	Fixed Price	Procurement and Construction
Tankage facilities at Vadinar for Indian Oil	374.52	288.20	Oil and Gas	May 2011	Fixed Price	EPC
Construction of a boiler package for the ultra mega power project at Mundra (Gujarat) for Doosan	652.48	279.35	Power	November 2012	Fixed Price	Procurement and Construction

Project Description	Contract Value (Rs. in million)[(1)]	Unexecuted portion as on June 30, 2010	Industry	Expected date of completion	Contract type	Services provided
Piping, steel structure and equipment erection work at the Dahej Petro Chemical Complex for a major Korean engineering company	252.04	250.06	Petrochemical	April 2012	Fixed Price	Procurement and Construction
Construction of storage tanks in relation to upcoming Aluminium Refinery in Eastern India	260.99	220.13	Metals	February 2011	Fixed Price	Procurement and Construction
Boiler main erection work for a coal based power plant in Maharashtra for a large private sector infrastructure company	193.54	191.37	Power	June 2011	Fixed Price	Procurement and Construction
Civil, structural and mechanical works for DHDT plant at Dhaligaon, Assam for Bongaigaon Refinery and Petrochemicals Limited	910.53	120.40	Oil and Gas	September 2010	Fixed Price	Procurement and Construction
Construction of utilities and offsite facilities (EPCC-6A Package) for the residue upgradation project at the Gujarat Refinery at Vadodara for Indian Oil [(5)]	1,576.85	108.28	Oil and Gas	September 2010	Fixed Price	EPC
Construction of offsite and storage facilities (EPCC-8 Package) for the Naphtha Cracker Project at Panipat for Indian Oil	10,859.48	63.27	Oil and Gas	September 2010[(4)]	Fixed Price	EPC
Civil and Structural Works for Weak Nitric Acid Plant for a private sector fertilizer company in Gujarat	103.96	42.49	Fertilizer	August 2010	Fixed Price	Procurement and Construction

Project Description	Contract Value (Rs. in million)(1)	Unexecuted portion as on June 30, 2010	Industry	Expected date of completion	Contract type	Services provided
Design and engineering, supply and erection including civil works for Coke Dry Quenching Plant for Coke Oven Batteries in Eastern India for an Indian private sector steel major	345.55	18.20	Oil and Gas	March 2011	Fixed Price	Procurement and Construction
Mechanical work for vegetable oil tank farm at a private port in Gujarat	60.50	11.39	Food and beverages	December 2010	Fixed Price	Procurement and Construction
Mechanical and piping work for Naptha Cracker Unit for a petrochemicals plant in Eastern India	253.69	11.31	Petrochemicals	June 2010	Fixed Price	Procurement and Construction
Fabrication and erection of clinkerisation and equipment erection in Himachal Pradesh for a leading private sector cement manufacturing company	210.82	8.90	Cement	August 2010	Fixed Price	Procurement and Construction
Maintenance contract in Eastern India for an Indian private sector steel major	230.00	154.20	Metals	May 2013	Fixed Price	Procurement and Construction
Other Oil and Gas	517.17	373.82	Oil & Gas	N.A.	Fixed Price	Procurement and Construction
Other Power	147.22	55.17	Power	N.A.	Fixed Price	Procurement and Construction
Other Petrochemical	389.72	121.73	Petrochemical	N.A.	Fixed Price	Procurement and Construction
Other Cement	232.96	31.77	Cement	N.A.	Fixed Price	Procurement and Construction

(1) *Contract values are estimated values.*
(2) *The Paradip Refinery Storage Terminal is an internal order received from our subsidiary, IOT Utkal as part of the BOOT contract that IOT Utkal received from Indian Oil. For details relating to the Rs. 29,764.20 million funding for the BOOT contract, see " Paradip Project" in the section "Objects of the Issue" beginning on page* 39 *of this Draft Red Herring Prospectus and "Business – Paradip Refinery Storage Terminal" below.*
(3) *USD/Rupee exchange rate = Rs. 46.70*

(4) The scheduled date of completion was November 13, 2008. The customer has extended the time of completion to September 30, 2010 without prejudice to the customer's rights and remedies, including the right to claim liquidated damages.
(5) Mechanical completion for the project was to be completed by July 2009 with commissioning two months thereafter. Completion was extended to July 2010. An extension has been granted by the customer until September 2010 without prejudice to the rights, claims, and conditions of the customer.

Paradip Refinery Storage Terminal

IOT Utkal, a joint venture in which we, Oiltanking and IVRCL hold 52.5%, 10.0% and 37.5% of the equity share capital, respectively, was awarded a BOOT contract for the construction, operation and maintenance of the Paradip Refinery Storage Terminal by Indian Oil in November 2009 pursuant to an international competitive bidding process. The proposed Paradip Refinery Storage Terminal is a 1,410,435 kiloliter crude and finished products tankage facility at Indian Oil's 15 MMTPA oil refinery. The project comprises construction of 11 crude oil tanks each of 50,000 cubic meter of net capacity, 42 finished product tanks of various net capacities aggregating 610,550 cubic meters, low temperature flare and associated facilities. Detailed engineering related to the Paradip BOOT project is in advanced stage of completion and we expect to complete the detailed engineering by December 2010. Purchase orders including work orders for major sub-contracts have been placed for more than 40.0% of critical and long lead time items with the balance orders being expected to be completed by end of October 2010. Piling has been completed and civil works are in advanced stage of completion. We have moblised mechanical contractors to the site and fabrication is in progress. Under the contract, mechanical completion of the storage terminal is scheduled to occur not later than January 2012. If IOT Utkal fails to mechanically complete by this date, it will be liable to pay liquidated damages equal to Rs. 90.00 million per week of delay up to a maximum Rs. 900.00 million.

IOT Utkal has subcontracted the civil works at Paradip to IVR Prime Urban Developers Limited and the remainder work including design, mechanical and piping work to the Company, which has sub-contracted parts of the work to its subsidiaries, IOTDE, IOT Anwesha and IOTEP.

The project is funded through a combination of equity and debt. IOT Utkal has entered into loan agreements for Rs. 23,528.50 million and issued compulsorily convertible debentures for Rs. 2,000.00 million. For information on funds for the Paradip Refinery Storage Terminal see “Paradip Project” in the section “Objects of the Issue” beginning on page 39 of this Draft Red Herring Prospectus.

Under the contract, we will operate and maintain the Paradip Refinery Storage Terminal for a period of 15 years from the date of its mechanical completion. We will receive from the date of commissioning, an operation and maintenance fee comprised of both a fixed fee representing a return on our capital investment and variable fees in respect of the operation and maintenance services which are subject to monthly inflation-linked contractual escalation. If IOT Utkal fails to attain the handling target for reasons wholly attributable to it, the variable monthly operation charge payable to it will be proportionately reduced. The maximum deduction in any year for such failure is an amount equal to three months of the monthly variable operations charges. IOT Utkal is also liable to pay any demurrage incurred due to reasons attributable to it and the cost of any stock loss in excess of the permitted stock loss allowance. Except for the express caps on liability in relation to liquidated damages for delay and a failure to attain targeted handling figures, there is no overall cap on IOT Utkal's liability under the contract.

Top side facilities for the storage of crude oil project in Andhra Pradesh

We have entered into a fixed price contract on April 23, 2010 to provide materials, works and services in relation to the infrastructure and process facilities at top side, inside cavern shaft and within cavern on an EPC basis for the strategic storage of crude oil project in Andhra Pradesh. The fixed contract price is Rs. 3,937.75 million. The mechanical completion is scheduled to occur by October 30, 2011, with commissioning and performance tests to be completed within six months of mechanical completion.

DCU process plant project at Guwahati for Indian Oil's refinery

We have received a letter of acceptance from Indian Oil on June 9, 2010 in relation to the design, engineering, procurement, construction and commissioning of a coke drum system package for new coke chambers and allied modernised facilities in the existing Delayed Coker Unit (DCU) at Guwahati for Indian Oil's refinery. The fixed price contract is for a value equivalent to Rs. 2,095.67 million. The project is scheduled for completion on January 4, 2012.

Storage tanks and terminal facilities at Sohar Industrial Port, Oman for Oiltanking Odfjell Terminal Company

IOTECS Oman, our Oman subsidiary, together with Larsen & Toubro Electromech LLC, entered into two fixed price contracts with Oiltanking Odfjell Terminals & Co LLC on October 27, 2009 for the design, engineering, procurement, construction and commissioning of Phase 4 and 5 works in connection with the storage infrastructure and related facilities at Sohar Industrial Port, Oman. The fixed contract price for Phase 4 is USD 32.63 million and for Phase 5 is USD 86.07 million, of which our share for both the phases is USD 72.47 million or Rs. 3,391.00 million as on June 30, 2010. Phase 4 is to be completed by July 13, 2011, while Phase 5 is to be completed by May 13, 2011. We and Larsen & Toubro Electromech LLC are jointly and severally liable for our obligations as contractor under each of the contracts.

Marketing

We have dedicated international business development managers in the Middle East focussing on the Middle East, North Africa and South Africa, and in Indonesia focussing on South East Asia. In India, we have regional offices at Haryana, Chennai, Vadodara, Kolkata and Guwahati. Our marketing operations receive strategic and supervisory support from our corporate office in Mumbai and regional offices in Haryana, Chennai, Vadodara, Kolkata, Guwahati, Indonesia, Dubai, Oman and Singapore. We continue to capitalise on Oiltanking's international presence to develop and maintain relationships with large oil and gas companies, engineering companies, infrastructure developers and other EPC contractors, utilise logistic support to enter new markets such as Indonesia as well as understand and implement Oiltanking's requirements to service them in the capacity as our customers.

Competition

Our EPC Business operates in highly competitive markets and faces competition from both domestic and international engineering and construction companies in each of the areas and sectors in which we are active, both in India and internationally. Substantial domestic competition exists for lower value and simpler projects. For larger-scale, higher value or more complex projects, there are a more limited number of domestic engineering and construction companies with the necessary capacity and experience and we face competition from those domestic companies and, increasingly, international competitors, particularly from East and South East Asia. Competition is largely based on price, financial strength, technical expertise, safety record and the proven ability to complete work on time, many of which are considered at the pre-qualification stage. Although the value of projects for which we are able to compete has increased in recent years, we may be unable to compete with international engineering and construction conglomerates for high value projects. In particular, some of our competitors may have greater financial and other resources, as well as a more significant track record in completing such projects. We expect increased competition in the future in India from foreign engineering and construction companies in partnership with Indian firms. The main competitors of our EPC Business are Larsen and Toubro, Punj Lloyd Limited and Toyo Engineering.

Terminalling Business

Overview

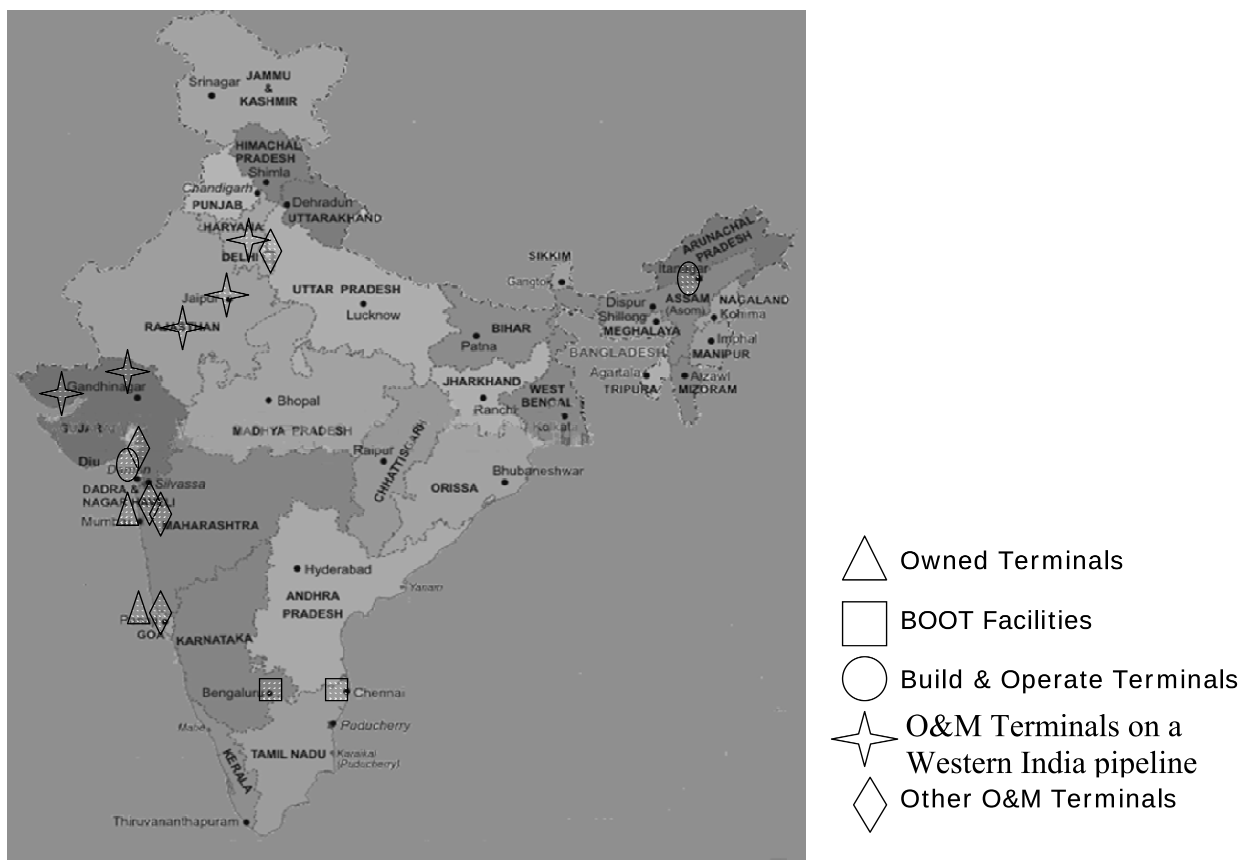
Our Terminalling Business provides independent tank terminalling services for the receipt, storage, despatch and handling of crude oil and petroleum products. We are also engaged in bottling of LPG and dewatering of crude oil and provide into-plane services at a private sector international airport in south India and the New Delhi International Airport. Our Terminalling Business operates 16 terminals and other facilities through a variety of ownership and operational arrangements. We directly own two facilities, we own and operate two terminals through BOOT arrangements, we operate two facilities that we have constructed for a third party under BO arrangements and we operate and manage without ownership rights 10 facilities. We currently own and operate three of these terminals on an open access basis. We also expect to begin operating and maintaining the Paradip Refinery Storage Terminal by January 2012. The customers of our Terminalling Business include major oil companies in India such as Indian Oil, ONGC, OIL, Essar and Shell MRPL Aviation Fuel and Services Private Limited.

For the years ended March 31, 2006, 2007, 2008, 2009 and 2010, our Terminalling Business generated revenue of Rs. 581.77 million, Rs. 583.34 million, Rs. 651.31 million, Rs. 1,070.58 million and Rs. 1,218.00 million, respectively, which constituted 16.7%, 11.5% 6.0%, 6.8% and 8.0% of our total consolidated revenue, respectively. For the years ended March 31, 2006 to March 31, 2010, our revenues from the Terminalling Business grew at a CAGR of 20.3% and EBIT for our Terminalling Business grew at a CAGR of 13.2%.

We provide our terminalling services directly through our Company and through the following joint ventures:

- IOSL, a joint venture with Indian Oil and Skytanking in which we each hold a 33.3% equity interest, which conducts our aviation-related terminalling business.
- ZIOL, a joint venture with ZIL in which we each hold a 50.0% equity interest, which operates our terminal at Goa.

The remainder of our terminalling services are conducted directly through our Company. In addition, following completion of the Paradip Refinery Storage Terminal, we will conduct its operation through IOT Utkal.
The following map illustrates the locations of the facilities we operate in India:



Terminalling Agreements

We typically provide our terminalling services on a fixed fee basis pursuant to which we contract out a fixed amount of storage space or tank capacity for a fixed period of time. We receive a fixed monthly charge irrespective of whether the tanks are used or not. Such contracts typically entitle the customer to one free throughput per month to the extent of the capacity hired, with additional fees payable in the event that additional throughput is required. The customer typically also pays additional fees for all other services that are utilised such as truck loading and unloading, wagon loading and unloading, ship loading, pigging, inter-tank transfers, circulation, tank cleaning and, consequently, increased throughput generates additional fees for our ancillary services. Our facility fee for BOOT terminals includes a component for recovery of our fixed fee capital costs plus a fixed return.

We operate our terminal at Goa on a throughput basis pursuant to which we charge the customer a fixed rate per unit of volume of throughput handled.

Owned Terminals

The following table provides a breakdown of the terminals owned and operated by our Terminalling Business as of March 31, 2010.

Location	Capacity (kiloliter)	Modes of Receipt	Modes of Discharge	Primary Products Product	Throughput for the year ended March 31, 2010 (kiloliter)	Operated Since
Navghar	250,082	Ship, Rail Pipeline	Ship, Rail Truck, Pipeline	Naphtha MS, HSD, SKO and Fuel Oil	1,881,240	1998
Goa	71,220	Ship	Pipeline, Truck	MS, HSD, SKO, Naphtha	627,755	2004

Navghar. We own and operate a 250,082 kiloliter terminal at Navghar, Navi Mumbai with 17 storage tanks which stores MS, HSD, Naphtha and FO for Indian Oil, ONGC, HPCL, Essar and Shell on a fixed tank fee basis, and our contracts generally contain inflation-linked contractual escalation provisions. The customer typically also pays additional fees for all other services that are utilised. Our terminal at Navghar receives and dispatches products through ship, rail, truck and pipeline. For the years ended March 31, 2008, 2009 and 2010, total throughput of our terminal at Navghar was 1.66 million kiloliters, 1.72 million kiloliters and 1.88 million kiloliters, respectively. We own two 14 kilometer multi-product pipelines for receipt and despatch of white oil and black oil connecting our terminal at Navghar to the jetty at JNPT, Navi Mumbai. We also own a pipeline connecting ONGC Uran to our terminal at Navghar for receipt of naphtha.

Goa. We own and operate a 71,220 kiloliter terminal at Goa through ZIOL, which is a joint venture between ZIL and us in which we each hold a 50.0% equity interest. Our terminal at Goa stores naphtha for ZIL and MS, HSD and SKO for HPCL and another public sector petroleum company. The terminal operates on a throughput basis, and our contracts generally contain inflation-linked contractual escalation provisions. The terminal receives products by ship and through pipeline and dispatches product by pipeline to ZIL and by trucks to a non-Promoter public sector company. We own an approximately 14 kilometer pipeline connecting our terminal to the Marmugao Port Trust jetty, and another 2.5 kilometer pipeline connecting ZIL's fertilizer plant for supply of naphtha. For the years ended March 31, 2008, 2009 and 2010, total throughput of our terminal at Goa was 0.61 million kiloliters, 0.65 million kiloliters and 0.64 million kiloliters, respectively.

BOOT Terminals

The following table provides a breakdown of the terminals built, owned and operated, subject to the obligation to transfer such ownership and operation as of a fixed date by our Terminalling Business as of March 31, 2010.

Facility	Capacity (kiloliter)	Modes of Receipt	Modes of Discharge	Primary Products Product	Throughput for the year ended March 31, 2010 (kiloliter)	BOOT Duration

Facility	Capacity (kiloliter)	Modes of Receipt	Modes of Discharge	Primary Products Product	Throughput for the year ended March 31, 2010 (kiloliter)	BOOT Duration
CPCL LPG terminal in Chennai	25,000 kg	Pipeline	Truck	LPG	348,822	Ownership and operation rights through December 2013, Operation rights through February 2018
Aviation turbine fuel tankfarm at a private sector international airport in south India	10,100	Pipeline and truck	Hydrant dispensers and refuellers	Jet fuel and ATF	397,655	Ownership and operation rights through May 2028

CPCL LPG terminal in Chennai. We developed, and currently own and operate, a 4,800 metric tonne LPG terminal in Chennai on a BOOT basis for CPCL. The CPCL LPG terminal stores bulk LPG for CPCL on a fixed monthly charge and an operating fee with annual escalation. Our ownership and operation rights expire in December 2013. The LPG terminal receives LPG through pipeline linked to CPCL's Manali refinery. For the years ended March 31, 2008, 2009 and 2010, total throughput of the LPG terminal was 278,890 metric tonnes, 391,112 metric tonnes and 348,822 metric tonnes respectively. The CPCL LPG terminal is ISO 9001 and 14001 certified.

We also developed, and currently operate on BOOT basis a LPG bottling plant at Chennai which fills LPG cylinders for CPCL and is linked to the CPCL LPG terminal. Consequently, the operation rights for the CPCL LPG terminal have been extended until the later of September 2017 or the expiration of the CPCL LPG Bottling Plant agreement. For additional details, see “Other Facilities-CPCL LPG Bottling Plant” below.

Aviation turbine fuel tankfarm at a private sector international airport in south India. We developed, and currently own and operate, the 10,100 kiloliter aviation fuel farm facility on an open access basis at an airport in south India through IOSL and provide into-plane services. Our aviation fuel farm is currently the only fuel farm in operation at the airport. The fuel farm stores jet fuel and ATF on an open access basis. We receive a facility fee which covers the capital costs plus a fixed return, operating charges which are fixed for five years and charged as per actuals after five years and an additional fixed fee per kiloliter of fuel supplied. Our ownership and operation rights expire in May 2028. We also hold a contract to provide the into-plane refuelling services until May 2018.

BO Terminals

The following table provides a breakdown of the terminals built and operated, without ownership rights, by our Terminalling Business as of March 31, 2010.

Facility	Capacity (kiloliter)	Modes of Receipt	Modes of Discharge	Primary Products Product	Throughput for the year ended March 31, 2010 (kiloliter)	Duration
OIL Crude Oil Terminal and Processing Facility in Tengakhat, Assam	36,000	Pipeline	Pipeline	Crude Oil	1,393,253	Operation rights through July 2013
Indian Oil Terminal in Dumad, near Vadodara, Gujarat	72,786	Pipeline	Truck	MS, HSD, SKO	684,998	Operation rights through June 2011

OIL Crude Oil Terminal and Processing Facility in Tengakhat, Assam. We constructed, and currently operate, a 36,000 kiloliter crude oil terminal in Tengakhat, Assam which stores and processes wet crude for OIL on a fixed monthly fee basis. We provide crude desalting and dewatering processes for wet crude containing 15.0% BS&W to provide dry crude of less than 0.15% BS&W by electrostatic precipitation.

Indian Oil Terminal in Dumad, near Vadodara, Gujarat. We constructed, and currently operate, a 72,786 kiloliter petroleum product terminal in Dumad, near Vadodara, Gujarat which stores MS, HSD and SKO for Indian Oil on a fixed monthly fee basis. The terminal receives products via pipeline from Indian Oil's refinery at Koyali and dispatches product by truck. For the years ended March 31, 2008, 2009 and 2010, total throughput of this terminal, was 0.67 million kiloliters, 0.71 million kiloliters and 0.68 million kiloliters, respectively.

Operated Terminals

The following table provides a breakdown of the terminals operated without ownership rights by our Terminalling Business as of March 31, 2010.

Facility	Capacity (kiloliter)	Modes of Receipt	Modes of Discharge	Primary Products Product	Throughput for the year ended March 31, 2010 (kiloliter)	Duration
Terminals owned by a non-Promoter public sector petroleum company on a Western India pipeline						
Petroleum terminal at a Gujarat Port	306,954	Ship	Pipeline	MS, HSD, SKO	6,034,208	Operation rights through March 2013
Petroleum terminal in Haryana	204,436.1	Pipeline	Rail and truck	MS, HSD, SKO	4,041,104	Operation rights through March 2013
Petroleum terminal at an inland location in Gujarat	38,842.6	Pipeline	Truck	MS, HSD, SKO	334,644	Operation rights through March 2013

Facility	Capacity (kiloliter)	Modes of Receipt	Modes of Discharge	Primary Products Product	Throughput for the year ended March 31, 2010 (kiloliter)	Duration
Petroleum terminal in central Rajasthan	34,823.6	Pipeline	Truck	MS, HSD, SKO	710,303	Operation rights through March 2013
Petroleum terminal in north Rajasthan	21,125.8	Pipeline	Truck	MS, HSD, SKO	416,227	Operation rights through September 2013
Indian Oil Terminal at JNPT, Navi Mumbai	60,000	Ship	Pipeline and truck	HSD	371,066	Operation rights through July 2012
Bunkering Terminal at JNPT, Navi Mumbai	12,600	Pipeline	Pipeline	Fuel oil	-	Operation rights through March 2011
Naphtha terminal in Gujarat	12,723	Rail	Pipeline	Naphtha	Nil	Operation rights through August 2010
ZIL ammonia storage facility at Goa	5,000	Pipeline	Pipeline	Liquid Ammonia	253,676	Operation rights through July 2010; 1 year extension sought
Aviation turbine fuel tankfarm at Delhi International Airport	42,000	Truck and pipeline	Hydrant Dispensers and refuellers	Jet fuel and ATF	-	Operation rights through July 2035

Terminals owned by a non-Promoter public sector petroleum company on a Western India pipeline. We operate and maintain five terminals for a non-Promoter public sector petroleum company along a Western India petroleum pipeline, comprised of a 306,954 kiloliter terminal at a Gujarat port, a 38,842.6 kiloliter terminal at an inland location in Gujarat, a 34,823.6 kiloliter terminal at central Rajasthan, a 23,125.8 kiloliter terminal at north Rajasthan and a 204,436.1 kiloliter terminal at Haryana. These terminals store MS, HSD and SKO for the non-Promoter public sector petroleum company on a fixed service fee for O&M services on a monthly basis up to an agreed annual throughput with an additional throughput fee being payable for any excess. Our agreements with the non-Promoter public sector petroleum company have a term of five years with a renewal clause for a further period of five years on mutually agreed terms. Our agreement provides for inflation-linked contractual escalation. The non-Promoter public sector petroleum company imports petroleum products at a petroleum terminal located at a Gujarat port and services the Western and Northern hinterland through the five pipeline terminals operated and maintained by us. The Gujarat port terminal receives products through ship and the terminals at Haryana, an inland location in Gujarat, central Rajasthan and north Rajasthan receive products through pipeline and act as break-bulk distribution and marketing terminals. The petroleum terminal in Haryana also acts as a rail reloading terminal for over 30 other terminals owned by the non-Promoter public sector petroleum company across India.

Indian Oil Terminal at JNPT, Navi Mumbai. We operate and maintain a 60,000 kiloliter terminal at JNPT, Navi Mumbai which stores HSD for Indian Oil on a fixed monthly fee basis with additional fee being payable to us for ancillary services such as pigging and barrel filling. The terminal receives products through ships and discharges product by pipeline and trucks.

A Ship Bunkering Terminal in Western India. We operate and maintain a 12,600 kiloliter terminal at Western India which stores fuel oil for a public sector petroleum company on a fixed monthly fee basis with an additional throughput fee being payable to us for every unit volume handled through the terminal. Our, operation rights for the terminal extend through to March 22, 2011, and are extendable for an additional year by mutual consent. The Ship Bunkering Terminal receives products through ships.

Naphtha Terminal in Gujarat. We operate and maintain a 12,723 kiloliter terminal in Gujarat which stores naphtha for a private sector power producer on a fixed rate contract basis. The Naptha Terminal receives naphtha, which is used as a standby fuel by the private sector power producer's power plant. The naphtha is received through rail. The original term of our agreement was for a period of three years. Following two extensions, our agreement expired on August 16, 2010. We are in negotiations with the private sector power producer to renew the agreement for a further period of three years.

ZIL ammonia storage facility, Goa. We also operate and maintain an ammonia storage facility at Mormugao Harbour, Goa, pursuant to an operating and maintenance services agreement between ZIL and our joint venture, ZIOL, on October 19, 2004. The agreement expired on July 31, 2010. We have requested an extension for a further period of one year commencing August 1, 2010.

Aviation turbine fuel tankfarm at Delhi International Airport Limited. Commencing July 2010, we began operating the 42,000 kiloliter aviation fuel farm facility on an open access basis at Terminal 3 of the Delhi International Airport, which is the eighth largest terminal in the world and largest in India in terms of number of passengers handled in a year. Our aviation fuel farm is currently the only fuel farm in operation at Terminal 3. The fuel farm facility is being operated on an open access basis. We earn an operating margin on the total operating costs, with annual escalation. The O&M contract is for a period of 25 years. We are one of the into-plane service providers at Terminal 3 and also hold a contract to provide the into-plane refuelling services for a period of 10 years.

Other Facilities

The following table provides a breakdown of other facilities owned and/or operated by our Terminalling Business as of March 31, 2010.

Facility	Capacity (MTPA)	Modes of Receipt	Modes of Discharge	Primary Products Product	Throughput for the year ended March 31 2010 in kiloliter	Operational and ownership model and duration
CPCL LPG Bottling Plant at Chennai	120,000	Pipeline	Cylinders/ Truck	LPG 6,627,972 MT	6,560,182 (cylinders)	BOOT- Operation rights through February 2018
Jetty at Navi Mumbai	3,500,000	Ship and Pipeline	Ship and Pipeline	Petroleum products, chemicals, vegetable oil and crude oil	6,627,972 MT of cargo	Operation and Maintenance- Operation rights through month upto June 2011

CPCL LPG Bottling Plant. We have developed and currently operate a LPG bottling plant at Chennai which fills LPG cylinders for CPCL and is linked to the CPCL LPG Terminal (see "Terminalling Business – BOOT Terminals - CPCL LPG Terminal in Chennai" in the section "Business" beginning on page 73 of this Draft Red Herring Prospectus). The LPG Bottling Plant is ISO 9001 and 14001 certified. For the years ended March 31, 2008, 2009 and 2010, total throughput of the LPG bottling plant was 573,138 cylinders, 5,829,406 cylinders and 6,560,182 cylinders, respectively.

Jetty at Navi Mumbai. We provide operation and maintenance services to a public sector petroleum company in respect of a liquid cargo jetty at JNPT pursuant to a memorandum of agreement entered into on October 21, 2008. Our agreement is valid until June 30, 2011, and provides for a fixed monthly fee with annual escalation. The jetty handled 6.60 million metric tonnes of cargo for the year ended March 31, 2010 as against 5.80 million metric tonnes for the year ended March 31, 2009.

Forthcoming Terminals

Paradip Refinery Storage Terminal. For information relating to the Paradip Refinery Storage Terminal, see "EPC Business" in the section "Business" beginning on page 73 of this Draft Red Herring Prospectus.

Raipur Common User Terminal. We have begun the process of land acquisition to set up a 220,000 kiloliter common user terminal at Raipur, Chattisgarh to store products including MS, HSD, SKO and FO. We have received in-principle approval from domestic oil majors such as Indian Oil and a public sector petroleum company. Indian Oil intends to use the Raipur Common User Terminal as a terminating point for the Paradip – Raipur cross-country pipeline to receive products through this pipeline and dispatch products through truck and rail for onward distribution.

Competition

Our Terminalling Business faces competition from terminalling providers in each of the areas and sectors in which it is active in India. Substantial domestic competition exists in the terminalling sector, although there are more limited numbers of Indian and international companies with the requisite capacity and experience to provide complex terminalling and aviation refuelling services which comply with prevailing international standards. Many of the oil and gas companies in India, including our customers, have the ability to service their terminalling requirements internally and therefore compete with us.

Upstream Services Business

Overview. Our Upstream Services Business provides integrated directional drilling and seismic services, initially consisting of Newsco Asia's business, which we acquired in August 2008 to exploit the opportunities presented by increased use of deviated drilling by the Indian national oil and gas companies. The acquisition of Newsco Asia and our investment in Newsco Services through Newsco Asia provides us access to directional and horizontal drilling technology as well as research and development and a strong presence in directional drilling services in India. We subsequently entered into the seismic services business and are providing seismic services in difficult terrain at Karbi Anglong, Assam for OIL. We also operate workshops at Ambarnath, near Mumbai and Duliajan, Assam in India that provide support for major repairs and maintenance of various equipment. As a complement to our Upstream Services Business, we engage third party sub-contractors to provide additional services on an as-needed basis to support our upstream activities. Our Upstream Services Business customers include the major oil companies in India such as OIL and ONGC.

Our Upstream Services Business generated revenue of Rs. 185.13 million and Rs. 448.70 million for the years ended March 31, 2009 and 2010, respectively, which constituted 1.2%, and 2.9% of our total consolidated revenue, respectively.

The following table provides a breakdown of our Upstream Services Business revenues by type of contract and the percentage such amount represented of our total Upstream Services Business revenues for the years ended March 31, 2009 and 2010.

(Rs. in Million, except percentages)

Contract Type	For the years ended March 31			
	2009		2010	
	Amount	%	Amount	%
Integrated Directional Drilling	161.93	87.5	312.57	79.7
Seismic Services	23.20	12.5	136.13	30.3
Total	185.13	100.0	448.70	100.0

Integrated directional drilling

We provide a range of integrated directional drilling services, including well design services, mud engineering, MWD and logging. We have experience in various areas of advanced drilling technology, such as extended reach drilling, multi-lateral drilling and side-track drilling through our acquisition of the Newsco Asia business.

Newsco Asia

In August 2008, we acquired 49.99% of the equity interests in Newsco Asia for Rs. 421.00 million in cash and Rs. 320.45 million in promissory notes. In the second stage of the acquisition in April 2010, we acquired an additional 25.0% of the equity interests (and the full economic interest) in Newsco Asia for Rs. 258.13 million in cash. The third and final stage of the acquisition is scheduled to occur in September 2011, pursuant to which we will acquire the remaining equity interest in Newsco Asia for a consideration of $6.75 million (equivalent to Rs. 317.79 million as on August 31, 2010). As a result of our acquisition of Newsco Asia, we have also acquired a 15.0% equity interest in Newsco Services. Newsco Services and Newsco Asia entered into a services agreement on August 15, 2008 for the provision of equipment, components, software, personnel and services in relation to horizontal, directional and performance drilling, including MWD. This agreement provides for equipment, components, software, personnel and services to be provided by Newsco Services exclusively to Newsco Asia at a cost plus 10.0% basis for 28 countries in the Middle East, South Asia and South East Asia.

Newsco Canada

On August 12, 2010, we entered into a non-binding term sheet to acquire a 60.0% equity interest each in Newsco Canada and certain related entities by September 30, 2010. The consideration for the proposed acquisition of Newsco Canada will consist of our shares of Newsco Asia and cash. Pursuant to the completion of our proposed acquisition of Newsco Asia, we intend to reconsolidate the Newsco Asia business with Newsco Canada's global platform. We believe the proposed Newsco Canada acquisition, if consummated, will provide us with a global directional drilling business with exclusive access to Newsco Canada's directional drilling technology, research and development and MWD tools on a global basis. We believe Newsco Canada's business will benefit from our access to financing and business development capabilities.

Seismic exploration services

We have deployed one seismic field crew for onshore seismic data acquisition. We have entered into an agreement on April 1, 2009 with OIL and are providing seismic services for the acquisition of 150 GLKM of 2D seismic data in difficult terrain at Karbi Anglong, Assam. We are required to complete the entire work within six operating months and have currently completed 113.5 GLKM of 2D-seismic data. OIL has proposed to increase the scope of work by 100 GLKM with such additional work to be completed in proportion to six operating months for 150 GLKM for which we have submitted a proposal to OIL.

Elnusa

We have entered into a non-binding memorandum of understanding ("**MOU**") on October 21, 2008 with Elnusa, which has expertise in providing integrated oil and gas services in Asia-Pacific to develop business in seismic data acquisition services, geophysical data processing services and geology, geophysics and reservoir services in India and neighbouring countries. The MOU is valid for a period of one year or until a definitive agreement is entered into, whichever is earlier. This MOU also includes a restrictive covenant that neither Elnusa nor us will enter into a similar MOU in respect of the activities specified. We have subsequently entered into a technical collaboration agreement with Elnusa on December 17, 2008 to provide services to OIL for the acquisition of 150 GLKM of 2D-seismic data at Karbi Anglong, Assam. This agreement is valid until the end of the defects liability period under the Karbi Anglong OIL agreement. The revenue from the Karbi Anglong OIL agreement including corporate overhead costs will be allocated in the proportion of 80:20 between us and Elnusa, respectively.

KCS

We have entered into an MOU on July 21, 2010 with KCS, which has expertise in carrying out geological and geophysical surveys as well as exploration and production of oil and gas in Kazakhstan and KTR Enterprises Private Limited ("**KTR**"), which has expertise in seismic services and drilling operations, to develop business such as seismic data acquisition services, geophysical data processing, modelling, depth imaging services, interpretation services and other GGR services in India. The MOU is valid for a period of three years. We shall be jointly and severally responsible for the execution and completion of a specific project, if awarded.

Competition

Our Upstream Services Business faces competition from international upstream services providers in each of the areas and sectors in which it is active, both in India and internationally. Among these, competition is largely based on price, technical capability, safety record and the proven ability to complete work on time. Our competitors include Schlumberger, Halliburton, Baker, Weatherford, Alfageo and Fugro are our principal competitors in our Upstream Services Business.

Renewable Energy Business

Our Renewable Energy Business is a 50:50 joint venture between us and Mabagas International GmbH. We intend to leverage our design and engineering capabilities and our operation and maintenance experience with the process expertise, technology and experience of Mabagas International GmbH to identify, develop, build, own and operate biogas and biogas-based plants in India on a commercial scale by using varied feedstock as raw material.

Information Technology System

We have invested in our information technology network and software applications with the aim of allowing for secure, reliable and efficient information flow.

We utilise multiple technology platforms including Oracle ERP system, Oracle UCM document management system and Lotus Notes. We have also invested in communication and embedded software, geographical and customer information systems and enterprise application integration. In addition to application development and maintenance services, our information technology department also has capabilities in project management, procurement and inventory, design and engineering applications (as used by our EPC Business) and data acquisition software and systems (as used by our Upstream Services Business).

Employee Relations

We currently employ over 2,600 persons across our divisions and subsidiaries. For the year ended March 31, 2010, we had a workforce of 2,538, including managers, staff and workers.

We continue to focus on recruitment and retention of employees to meet rising aspirations of professionals, fast escalating salaries and growing demand for good professionals in India and abroad through training and development, improved internal communication and brand building. We established the lOT Center for Leadership and Excellence ("**ICLE"**) which serves as a nodal centre for all our training and development activities. ICLE arranges internal as well as external programs, including management development programs for senior and middle level executives conducted by India's eminent business schools. For the year ended March 31, 2010, a total of 550 of our employees were trained through external programs. Several of our employees have also been nominated for international training programs conducted by Oiltanking including secondments to Oiltanking.

Employees in India enjoy certain statutory rights, which prevent them from being dismissed or made redundant, except in limited circumstances. Salaries and wages are based on prevailing private sector industry standards and generally revised every year. For the small proportion of our employees covered by trade unions, wages are negotiated typically through three year agreements. Membership of a union is not mandatory. We have maintained good relations with our unions and believe that our relations with our employees is satisfactory. We have a stock option plan for certain employees. For further information relating to our stock options plan, see "Notes to

Capital Structure – Employee Stock Option Plan" in the section "Capital Structure" beginning on page 26 of this Draft Red Herring Prospectus.

Quality

We strive to achieve the highest quality standards across our businesses. Some of our terminals and business are certified for Quality Management systems and Environmental Standards. Our terminal at Navghar, Navi Mumbai is ISO 9001 certified for Quality Management Systems and our CPCL LPG Terminal at Chennai also has ISO 9001:2000 and ISO 14001:2004 certifications for Quality Management and Environmental Management Standards. (*Source: BVQI*) We have also received ISO 9001:2008 and ISO 14001:2004 certifications for all activities related to receipt, storage, blending and dispatch of petroleum products at Oil Terminal, NH-17B, Sancoale, Goa.

Our EPC Business has obtained ISO 9001:2000 certification. We have also received OHSAS 18000:2007 certification for the intermediate crude oil storage terminal and pumping facilities for Viramgam Terminal for the Barmer Salaya Pipeline Project at Viramgam for a British oil and gas company, the civil, structural and underground piping works for Offsite 2 for the Panipat Refinery Expansion Project for Indian Oil and the design, engineering and construction of oil terminals, pipelines and related facilities at Vadodara for Indian Oil's Gujarat refinery.

We continue to focus on maintaining a safe work environment through the implementation of comprehensive safety policies and a structured multidisciplinary safety organisation to oversee our operations.

HSSE

We strive to operate a world class HSSE system, processes and practices and view the safe operation of our business as critical to our success. For the years ended March 31, 2006 to March 31, 2010, we achieved 78 million man-hours without a reported incident and provided approximately one million man-hours of professional HSSE training. Our HSSE policy is implemented across our businesses and at each project site. We believe that our emphasis on safety is one of the key drivers of our relationship with our employees and customers. We believe our ability to avoid lost time injuries fosters good relationship with our employees, customers, regulatory agencies and regional and municipal governmental authorities, which ultimately enhances our business, reduces project cost and exposure and creates greater efficiencies. In the areas in which we provide services, we have maintained and continue to maintain a strong safety performance record. We have achieved awards for various projects related to man-hours worked without any reported incident, including awards from Gujarat Safety Council, Jacobs, Toyo, EIL and Indian Oil.

Environmental Matters

The industries in which we operate are regulated and monitored by various environmental regulatory authorities such as Pollution Control Boards in various states and we are subject to extensive laws and regulations pertaining to pollution and protection of the environment, health and safety such as the Environment (Protection) Act, 1986 and governing, among other things, emissions to the air such as the Air (Prevention and Control of Pollution) Act, 1981, discharges onto water such as the Water (Prevention and Control of Pollution) Act, 1974, the maintenance of safe conditions in the workplace, the remediation of contaminated sites and the generation, handling, storage, transportation, treatment and disposal of waste materials. India has a number of pollution control statutes which empower state regulatory authorities to establish and enforce effluent standards for factories discharging pollutants or effluents into water or the air. In addition, there are various regulations in relation to factories using hazardous processes such as the Hazardous Waste Management Rules, 1989. In addition, the Ministry of Environment and Forests looks into environment impact assessment. As we increase our international operations, we will become increasingly subject to more international environmental regulatory regimes. For further information relating to environmental Rules and Regulations, see section "Regulations and Policies" beginning on page 102 of this Draft Red Herring Prospectus.

Insurance

We maintain a range of insurance policies to cover our buildings, terminals, equipment, plant and machinery, stocks, motor vehicles, goods-in-transit and employees. Risks covered include fire, theft, burglary, terrorism, earthquake, breakdown of machinery, business interruption loss, leakage from terminals, damaged or destroyed data or records, damage or loss due to pollution arising out of upstream activities, natural disaster and third-party liability claims. Under our port package insurance policy, we are indemnified for loss of property, business interruptions, primary layer, umbrella liability and terrorism at our owned terminals at Navghar, Navi Mumbai, Goa, the CPCL LPG terminal in Chennai and at all O&M terminals across India.

We have also obtained automobile insurance policies, workmen compensation policies as well as standard fire and special perils policies and group personnel accident policies for specific employees. Our plants and other fixed assets are insured for their estimated replacement value. We maintain breakdown insurance for selected machinery and electronic equipment as well as storage-cum-erection all risk insurance policies for all of our civil construction and engineering projects.

We believe that the amount of insurance cover we presently maintain represents the appropriate level of coverage required to insure our businesses and those of our subsidiaries.

Corporate Social Responsibility

The IOT Foundation was created by a deed of declaration of trust on January 18, 2005 which created and settled an irrevocable trust to implement projects and support activities all over the world to benefit people and serve the larger community. Jayanta Bhuyan is the settler of the IOT Foundation and the first trustees are Jayanta Bhuyan and Munish Sharma.

Property

Our registered and corporate office is located at 103 Spectra, Hiranandani Business Park, Powai, Mumbai 4000076, which was acquired by us pursuant to an agreement for sale dated April 30, 2003 with Lake View Developers. We have approximately 30 owned commercial properties and 27 leased commercial properties.

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies, as prescribed by the Central and State governments, which are applicable to the 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. These regulations must be read with the section "Government and other Approvals" beginning on page 329 of this Draft Red Herring Prospectus.

The Company deals in a diverse portfolio of businesses comprised of EPC Business, Terminalling Business, Upstream Services Business and Renewable Energy Business. For the purpose of the business undertaken by the Company, the Company is regulated by various general and sector-specific laws and regulations in India, and is accordingly required to obtain certain licenses and approvals under the prevailing laws and regulations as applicable. The following discussion summarizes certain significant Indian laws and regulations that govern the Company's business.

EPC Business

Various laws, rules and regulations are applicable to such activity and the same also differs in each jurisdiction. Contracts are executed by the Company pursuant to tenders/ quotations issued by the Government, Government agencies, Government companies, private companies, public companies and multinational companies or by specific orders placed by them. For the purpose of executing the relevant project work, we may be required to obtain certain licenses and approvals depending upon the prevailing laws, rules and regulations applicable in the relevant state. For details of such approvals see the section "Government and other Approvals" beginning on page 329 of this Draft Red Herring Prospectus.

Building Regulations

In certain of the EPC contracts, the projects which are constructed are required to conform to the applicable regulations and norms pertaining to construction and building activities. Such projects are also subject to various regional specific and sector specific regulations, specifications, bye laws and rules. Certain locations in also prescribe zoning restrictions, which prohibit certain types of constructions within specific zones or areas.

Terminalling Business

*Public Liability Insurance Act, 1991 (the "**PLI Act**")*

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the PLI Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

*Explosives Act, 1884 (the "**Explosives Act**")*

Under the Explosives Act, the Government has the power to regulate the manufacture, possession, use, sale, transport and importation of explosives and grant of license for the same activities. The Government may prohibit the manufacture, possession or importation of especially dangerous explosives. Any contravention of the Explosives Act or the Explosives Rules, 1983, may lead to an arrest without warrant and imprisonment for three years, including a fine which may extend up to Rs. 5,000.

*Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 (the "**Manufacture, Storage and Import of Hazardous Chemicals Rules**")*

The Manufacture, Storage and Import of Hazardous Chemicals Rules stipulate that an occupier in control of an industrial activity has to provide evidence for having identified the major accidental hazards and taking adequate steps to prevent major accidents and to limit their consequences to persons and the environment. The persons working on site have to be provided with information, training and equipments including antidotes necessary to ensure their safety.

*Petroleum Act, 1934 (the "**Petroleum Act**")*

The Petroleum Act prescribes provisions for import, transport, storage, production, refining and blending of petroleum. In terms of Section 5 of the Petroleum Act, no one shall produce, refine or blend petroleum save in accordance with the rules made under sub-section 2 of Section 5. The Petroleum Act provides for inspection of place storing petroleum and testing of petroleum, among other provisions. It further empowers Government of India to prescribe standards for pipelines, testing apparatus and storage receptacles for petroleum, and to inspect, make entry and search and certify grades of petroleum involved in a particular establishment. Further, the Petroleum Rules, 2002 requires, *inter alia*, that no person shall deliver or dispatch any petroleum to anyone in India without a license.

*Static & Mobile Pressure Vessels Rules, 1981 (the "**Static & Mobile Pressure Vessels Rules**")*

The Static & Mobile Pressure Vessels Rules regulate filling, possession, transport and import of compressed gases in pressure vessels. In terms of the rules, license is required for possession of static pressure vessels and for transport of pressure vessels (mobile tankers) containing compressed gases. In addition to the above, approvals are also required for fabrication of pressure vessels, manufacture of safety fittings for pressure vessels, recognition of third party inspecting agency/competent persons, repair/modification or import of pressure vessels.

Upstream Services Business

Under Article 297 of the Constitution of India, jurisdiction over petroleum and natural gas occurring in their natural state in India, is vested with the Union of India. Further, Entry 53 of List I, i.e. the Union List, grants the power to the Central Government to make laws for regulation and development of oilfields and mineral oil resources, petroleum and petroleum products and other liquids and substances declared by Parliament to be dangerously inflammable. The Ministry of Petroleum and Natural Gas ("**MoPNG**") is the principal administrator of exploration and production of oil and natural gas in India. MoPNG is responsible for administering the exploration, production, distribution, marketing and pricing of petroleum resources, including crude oil and natural gas, and is also responsible for planning, development and regulation of oil field services.

*Oilfields (Regulation and Development) Act, 1948 (the "**Oilfields Act**")*

The Oilfields Act governs oil and natural gas exploration activities and provides for regulation of oilfields and development of mineral fuel oil resources. The Government of India, on September 1, 2006 designated the Directorate General of Hydrocarbons (the "**DGH**") as the authority for grant of petroleum exploration licenses ("**PELs**") and petroleum mining leases ("**PMLs**") under the Oilfields Act.

Accordingly, the DGH, *inter alia* (a) reviews and monitors exploration programs and development plans for commercial discoveries of hydrocarbon reserves proposed by a licensee or lessee; (b) reviews management of petroleum reservoirs by a licensee or a lessee; (c) asks for and maintains geo-scientific data, reports and information from a licensee or a lessee; (d) reviews reserves discovered by a licensee or lessee in accordance with generally accepted international petroleum industry practices; (e) lays down norms for declaration or announcement of discoveries by a licensee or a lessee; and (f) monitors oil and gas production and payment of royalties, cess or other charges due to Government of India.

Renewable Energy Business

The Ministry of New and Renewable Energy (the "**MNRE**") is the Central Government ministry with a mandate for formulating schemes and policies for the research, development, commercialisation and deployment of renewable energy systems/ devices for various applications in rural, urban, industrial and commercial sector. To facilitate financing, Indian Renewable Energy Development Agency Limited ("**IREDA**") was established with the primary aim of complementing the MNRE. The agency functions under the administrative control of the MNRE.

The MNRE has issued a number of guidelines and schemes on power generation through renewable sources, including a 'Scheme for Promotion of Grid Interactive Power Generation Projects' based on 'Renewable Energy Technologies and Guidelines for Implementation of Biomass Power Projects-2009-10'.

Further, MNRE has issued directions to the state governments to formulate energy policies while factoring in the importance of renewable energy, and accordingly, policy documents relating to renewable sources of energy exist in most Indian states. State level nodal agencies have been setup for the implementation of central and state schemes for the promotion of renewable energy. Following the policy guidelines circulated by MNRE, various states have come up with their own policies formulated according to the terms of reference of the MNRE.

The 'National Electricity Policy' (**"NEP"**) was notified by the Central Government on February 12, 2005, in compliance with Section 3 of the Electricity Act, 2003 (the "**Electricity Act**"). The policy seeks to address, *inter alia*, the following issues viz. rural electrification, generation, transmission, distribution, technology development, and research and development, financing power sector programmes including private sector participation, environmental issues, and cogeneration and non-conventional energy sources. The NEP calls for utilising the potential of non conventional energy resources, mainly small hydro, wind and bio-mass. With a view to increase the overall share of non-conventional energy sources in the electricity mix, NEP seeks to make efforts to encourage private sector participation through suitable promotional measures. The Central Government has also provided for 'Generation Based Incentives', which *inter alia* contain subsidies and tax cuts for 'Independent Power Producers' engaging in power production through renewable sources of energy.

Further, the Central Electricity Regulatory Commission ("**CERC**"), established under the Electricity Act, has notified the Central Electricity Regulatory Commission (Terms and Conditions for Recognition and Issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 in fulfillment of its mandate to promote renewable sources of energy and development of market in electricity. The regulation provides for producers of renewable energy to receive certificates which can be sold to distribution companies, open access consumers and captive power plants, who will in turn have the option of purchasing these 'Renewable Energy Certificates' to meet their 'Renewable Energy Purchase Obligations', as specified by the SERC.

Labour Laws

As part of our operations, we are required to comply from time to time with the laws, rules and regulations in relation to the hiring and employment of labour. Labour legislation in India classifies persons into 'employees' and 'workmen' based on factors which, among others, include the nature of work and remuneration. While workmen are typically entitled to various statutory benefits including gratuity, bonus, retirement benefits and insurance protection, employees are governed by the terms of their employment contracts. The following is an indicative list of legislations which are applicable to our operations and workmen:

- Factories Act, 1948
- Minimum Wages Act, 1948
- Contract Labour (Regulation and Abolition) Act, 1970
- Payment of Bonus Act, 1945
- Payment of Gratuity Act, 1972
- Employee State Insurance Act, 1948
- Employees Provident Fund and Miscellaneous Provisions Act, 1952
- Workmen's Compensation Act, 1923
- Industrial Disputes Act, 1947
- Industrial Employment (Standing Orders) Act, 1946
- Building and Other Construction Workers (Regulation of Employment and Conditions of Services) Act, 1996
- Building and Other Construction Workers Welfare Cess Act, 1996
- Child Labour (Prohibition and Regulation) Act, 1970

- Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- Equal Remuneration Act, 1976
- Maternity Benefits Act, 1961
- Payment of Wages Act, 1936

Environmental regulation

Manufacturing units must ensure compliance with environmental legislation, such as the Water (Prevention and Control of Pollution) Act, 1974 (the "**Water Act**"), the Air (Prevention and Control of Pollution) Act, 1981 (the "**Air Act**"), and the Environment (Protection) Act, 1986 (the "**EPA**"). The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (the "**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are indicative of the fact that the industry in question is functioning in compliance with the pollution control norms. These consent orders are required to be kept renewed.

The issue of management, storage and disposal of hazardous waste is regulated by the Hazardous Waste Management Rules, 1989 issued under the Environment Protection Act. Under these rules, the PCBs are empowered to grant authorisation for collection, treatment, storage and disposal of hazardous waste, either to the occupier or the operator of the facility. In addition, the Ministry of Environment and Forests looks into environment impact assessment ("**EIA**"). The Ministry receives proposals for expansion, modernisation and setting up of projects and the impact which such projects would have on the environment is assessed by the Ministry before it grants clearances for the proposed projects.

The Water (Prevention and Control of Pollution) Act, 1974

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of standards set down by the State Pollution Control Board (the "**State PCB**"). The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which is likely to discharge sewage or effluent.

The Water (Prevention and Control of Pollution) Cess Act, 1977

The Water (Prevention and Control of Pollution) Cess Act, 1977 (the "**Water Cess Act**") requires a person carrying on any industry which involves the use of water to pay a cess in this regard. The person in charge is to affix meters of certain prescribed standards in order to measure and record the quantity of water consumed by such industry. Furthermore, a monthly return showing the amount of water consumed in the previous month must also be submitted.

The Air (Prevention and Control of Pollution) Act, 1981

The Air Act requires that any individual, industry or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the state pollution control board prior to commencing any activity. The State PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed. Within a period of four months after the receipt of the application for consent referred to in sub-section (1), the State Board shall, by order in writing and for reasons to be recorded in the order, grant the consent applied for subject to such conditions and for such period as may be specified in the order, or refuse consent.

The Hazardous Wastes (Management and Handling) Rules, 1989

The Hazardous Wastes (Management and Handling) Rules, 1989 (the "**Rules**") require that the occupier and the operator of the facility that treats hazardous wastes, must properly collect, treat, store or dispose the hazardous wastes without adverse effects on the environment. Moreover, they must take steps to ensure that persons working on the site are provided adequate training and equipment for performing their work. When an accident occurs in a hazardous site or during transportation of hazardous wastes, then the relevant State PCB has to be immediately alerted. If, due to improper handling of hazardous waste, any damage is caused to the environment, the occupier or the operator of the facility must pay the necessary remedial expenses.

The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008

The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008 (the "**Hazardous Rules**") states that the occupier will be responsible for safe and environmentally sound handling of hazardous wastes generated in his establishment. The hazardous wastes generated in the establishment of the occupier should be sent or sold to a recycler or re-processor or re-user registered or authorized under these rules or should be disposed off in an authorized disposal facility. The Ministry of Environment and Forests has been empowered to deal with the trans-boundary movement of hazardous wastes and to grant permission for transit of hazardous wastes through any part of India. No import of hazardous waste is permitted in India. The State Government, occupier, operator of a facility or any association of the occupier will be individually or jointly or severally be responsible for, and identity sites for establishing the facility for treatment, storage and disposal of hazardous wastes for the State.

Regulation of foreign investment

Foreign Ownership

As per the Consolidated FDI Policy FDI upto 100% is allowed under the automatic route in construction and maintenance of assets such as pipelines, container terminals bulk/ break bulk/ multipurpose, warehousing, storage facilities and tank farms.

FDI upto 100% under the automatic route is permitted in exploration activities of oil and natural gas fields, infrastructure related to marketing of petroleum products, actual trading and marketing of petroleum products, petroleum product pipelines, natural gas/LNG pipelines, market study and formulation and petroleum refining in the private sector. This is subject to the sectoral policy and regulatory framework in the oil marketing sector and the policy of the Government on private participation in exploration of oil and the discovered fields of national oil companies.

FDI upto 100% is permitted under the automatic route for (i) generation and transmission of electric energy produced in-hydro electric, coal/lignite based thermal, oil based thermal and gas based thermal power plants; (ii) non-conventional energy generation and distribution; (iii) distribution of electric energy to households, industrial, commercial and other users; and (iv) power trading. This is, however, subject to the provisions of the Electricity Act.

In respect of companies in the infrastructure/ service sector, where there is a prescribed cap for foreign investment, only the direct investment is considered for the prescribed cap and foreign investment in an investment company may not be set off against this cap provided that the foreign direct investment in such investing company does not exceed 49% and the management of the investing company is with Indian owners.

Investment by Foreign Institutional Investors

FII can invest in all the securities traded on the primary and secondary market in India. They are required to obtain an initial registration from the SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. They must also comply with the regulations of SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. The initial permission and the RBI's general permission enable the registered FII to buy and sell freely securities issued by Indian companies, to realize capital gains and investment made through the initial investment in India, to subscribe or renounce rights issues of shares, etc.

Under the portfolio investment scheme, the overall issue of equity shares to FIIs on repatriation basis should not exceed 24% of the post issue paid-up capital of the company. However, the limit of 24% can be raised to permitted sectoral cap for that company after approval of the Board of Directors and shareholders of the economy. The offer of equity shares to a single FII should not exceed 10% of the post issue paid-up capital of the economy or 5% of the total paid up capital in case such sub-account is a foreign corporate or an individual.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of the Company

The Company was incorporated as Indian Oiltanking Limited, a public limited company on August 28, 1996 under the Companies Act. The Company received the certificate for commencement of business on October 14, 1996. The name of the Company was changed to IOT Infrastructure & Energy Services Limited to reflect its diversified portfolio and a fresh certificate of incorporation dated December 1, 2008 was issued by the RoC. The registered office of the Company was originally located at Indian Oil Office Complex, Ali Yavar Jung Marg, Bandra (East), Mumbai 400 051.

Changes in Registered Office

Date of change of registered office	Address
July 3, 1997	Change of registered office from Indian Oil Office Complex, Ali Yavar Jung Marg, Bandra (East), Mumbai 400 051 to 609-610 Keshva Building, Bandra Kurla Complex, Bandra (East), Mumbai 400 051
April 1, 1999	Change of registered office from 609-610 Keshva Building, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 to Navgarh, NH-4B, Dronagiri Node, Navi Mumbai 400 707
October 31, 2007	Change of registered office from Navghar, Dronagiri Node, NH-4B, Navi Mumbai 400 707 to 103 Spectra, Hiranandani Business Park, Powai, Mumbai 400 076

The changes in the Registered Office were to ensure greater operational efficiency.

Major Events of the Company

The table sets forth some of the major events of the Company.

Year	Event
1996	The Company was incorporated pursuant to a joint venture agreement dated July 19, 1996 between Oiltanking GmbH, Indian Oil and IBP Company Limited.
1997	Commencement of construction of storage terminal at Navghar.
1998	• Commissioning of the storage terminal at Navghar. • Transfer of 50% shareholding of Oiltanking to Oiltanking India. • The Company received its first operations and maintenance contract for Nabipur terminal from Indian Oil (the assets were later transferred by Indian Oil to Gujarat Paguthan Energy Corporation Private Limited).
2000	• Incorporation of Zuari Indian Oiltanking Limited as a joint venture company. • Awarded contract for building and operating terminals for Indian Oil at Dumad, Gujarat and Mathura, Uttar Pradesh.
2001	• Commencement of construction of storage terminal at Goa. • Transfer of 25% shareholding of IBP Company Limited to Indian Oil. • Obtained order for its first overseas project management consultant job in Nigeria.
2002	• Commencement of construction of the bulk LPG terminal for Chennai Petroleum Corporation Limited. • Obtained order for its first overseas EPC contract in Mauritius. • Awarded offsites and utilities EPC for Mathura refinery of Indian Oil. • Awarded operations and maintenance contracts by Indian Oil and Bharat Petroleum Corporation Limited for their terminals at JNPT.

2003	• Commissioning of the bulk LPG terminal for Chennai Petroleum Corporation Limited. • Commenced EPC in power segment after a contract with Nuclear Power Corporation Limited.
2004	• Acquisition of 55.46% shareholding of Stewarts & Lloyds of India Limited. • Commissioning of storage terminal at Goa. • Awarded contract to build and operate Tengakhat crude desalting and dehydration terminal for Oil India Limited.
2005	Awarded pipeline EPC job by Oil India Limited in Assam.
2006	• Incorporation of IOT Engineering & Construction Services Pte. Ltd., Singapore, a subsidiary. • Incorporation of IndianOil Skytanking Limited as a joint venture company. • Awarded BOOT contract for bottling plant by Chennai Petroleum Corporation Limited.
2007	• Incorporation of IOT Engineering Projects Limited, a subsidiary. • Incorporation of Indian Oiltanking Engineering & Construction Services LLC, Oman, a subsidiary. • Awarded EPC contracts for Sohar terminal by Oiltanking Odjfell Terminals & Co. LLC, Oman.
2008	• Acquisition of 81% shareholding in IOT Anwesha Engineering & Construction Ltd. • Acquisition of 50% shareholding in Newsco Directional & Horizontal Drilling Services (Asia) Inc. through a wholly owned subsidiary IOT Canada. • Awarded operations and maintenance contracts by Hindustan Petroleum Corporation Limited for its terminals at Mundra – Delhi pipeline. • Awarded offsites and utilities EPC for Gujarat refinery of Indian Oil.
2009	• Acquisition of PT IOT Energy Services Indonesia. • Incorporation of IOT Utkal Energy Services Limited, a subsidiary. • Incorporation of IOT Mabagas Limited as a joint venture company for entry into biogas business.
2010	• Commencement of work for the Paradip BOOT project. • Acquisition of additional 25% shareholding in Newsco Asia through a wholly owned subsidiary IOT Canada.

Main Objects of the Company

The main objects as contained in the Memorandum of Association are:

1. To carry on the business of storage, handling, treatment, carriage, transport, despatch, supply, market, research, advise, consultancy, service providers, brokers and agents, engineering and civil designers, contractors, wharfingers, warehouseman, producers, dealers of oil and oil products, gas and gas products, petroleum and petroleum products, fuels, spirits, chemicals, liquids of all types and kinds and the compounds, derivatives, mixtures, preparations and products thereof.

2. To construct, own and operate biogas production units in India; to produce biogas and by-products or fertilisers from raw materials and waste products; to trade and/or sell biogas and by-products, fertilisers, carbon certificates; to convert biogas into either one or more of the following: electric power, heat, compressed air, compressed biogas; to pre-treat and inject biogas into natural gas grids in India, and/or sell the biogas after bottling; to develop, own, construct and operate other renewable energy plants in India (as defined by the Ministry of New & Renewable Energy Sources (MNRE) in India); to import, export, deal, trade, both as principal and consignor, act as Commission Agent and generally to carry on all types and kinds of commercial activities in respect of all or any of the above.

3. To construct, build, develop, maintain, operate, own and transfer roads, highways, bridges, airports, ports, jetty, rail systems, infrastructure facilities, water supply projects, irrigation projects, inland water ways and inland ports, water treatment systems, solid waste management systems, sanitation and sewerage systems, sewage treatment and disposal plants, chemical and petrochemical plants, fertilizer plants, cement plants,

refractory plants, gas works, process plants, thermal, nuclear and hydroelectric power stations, renewable energy facilities, electrical transmission and distribution for all types of industrial projects, any project for generation and/or distribution of electricity or any other form of power, storage, handling, packing, and transport facilities and ancillary services for polymers and speciality chemicals in solid form or any other solid handling facilities for other products.

Amendments to the Memorandum of Association

The Memorandum of Association was amended due to the change in or reclassification of, the authorised share capital of the Company. For details of change in authorised capital of the Company since its incorporation, see the section "Capital Structure" beginning on page 26 of this Draft Red Herring Prospectus.

In addition to the above, the Memorandum of Association was amended on the following instances:

Date of shareholders' resolution	Nature of Amendment
November 18, 2008	Change in name of the Company from Indian Oiltanking Limited to IOT Infrastructure & Energy Services Limited.
July 27, 2010	The main object clause of the Memorandum of Association was amended to include biogas business and certain infrastructure sectors.

Subsidiaries

The Company has 12 Subsidiaries. For details regarding the Subsidiaries of the Company, see the section "Subsidiaries and Joint Ventures" beginning on page 130 of this Draft Red Herring Prospectus.

Promoters

The Promoters of the Company are Indian Oil, Oiltanking India and Oiltanking. For details, see the section "Promoters and Promoter Group" beginning on page 144 of this Draft Red Herring Prospectus.

Capital raising activities through equity or debt

For details regarding the capital raising activities through equity and debt, see the sections "Capital Structure" "Financial Indebtedness" beginning on pages 26 and 301, respectively, of this Draft Red Herring Prospectus.

Shareholders

For details regarding the Shareholders, see the section "Capital Structure" beginning on page 26 of this Draft Red Herring Prospectus.

Key Agreements

1. New joint venture agreement dated July 4, 2002 ("JVA") between Oiltanking India and Indian Oil

Oiltanking, Indian Oil and IBP Company Limited incorporated the Company on August 28, 1996 pursuant to a joint venture agreement dated July 19, 1996 representing 50%, 25% and 25%, respectively, of the equity share capital of the Company. The Company was incorporated for the purpose of rendering and providing independent terminalling services in India. On September 8, 1998 Oiltanking India, a wholly owned subsidiary of Oiltanking acquired the entire shareholding of Oiltanking GmbH in the Company and on November 20, 2001 Indian Oil acquired the entire 25% shareholding of IBP Company Limited in the Company.

Accordingly, Oiltanking India and Indian Oil entered into the JVA on July 4, 2002, each representing 50% of the equity share capital of the Company.

The JVA *inter alia* provides for various rights, obligations, terms and conditions for regulating the relationship between Oiltanking India and Indian Oil and for managing and operating the Company. The JVA provides that the board of directors shall consist of eight directors, four directors to be nominated each by Oiltanking India and Indian Oil. In the event of change in the shareholding pattern of the Company, the composition of the the board of directors shall be modified to maintain proportionate representation on the board in line with the shareholding. Further, in terms of the JVA, Indian Oil shall nominate the chairman of the Company and Oiltanking India shall nominate the managing director of the Company. The quorum shall consist of one-third of the board of directors or four directors whichever is more, however no such quorum shall exist unless two of Oiltanking India's nominees and two of Indian Oil's nominees or their alternate directors, if any, are present.

Further, the JVA also provides that the decisions pertaining to any reserved matters as provided in the JVA shall be decided by the board of directors of the Company. Further, a party cannot increase its percentage of shareholding in the Company without consent of the other party.

Additionally, during the existence of the JVA, Indian Oil and Oiltanking India are restricted from entering into a joint venture or any relation with a foreign company or an Indian Company, respectively, for providing independent terminalling services in India for petroleum products excluding LPG and lubes. Under the JVA, Indian Oil may augment its facilities including construction of terminals in the Indian sub-continent, however, if they are at same locations as the Company, the activities should not to be in competition with the Company. Furthermore, for providing facilities at any new locations, the Company is required to act in a manner complimentary to supply and marketing interests of Indian Oil. Further, any transfer of shares to any person by a party is subject to the right of first refusal by the other shareholder under the JVA. However, no such right of first refusal is applicable in the event of transfer of shares to the affiliates.

2. Joint venture agreement dated July 1, 2010 ("JVA") between Katoen Natie Asia Pte. Ltd., Singapore ("Katoen") and the Company

On July 1, 2010, the JVA was entered into between Katoen Natie and the Company to incorporate a company with the name 'Katoen Natie IOT Public Limited' or other name (the "**Proposed Company**"), with its registered office in Mumbai for owning, developing, operating and/ or maintaining storage, packing and transport facilities for polymers and special chemicals in solid form in the geographical territory of India (the "**Business**"). Under the JVA, Katoen Natie (along with its three nominees) and the Company (along with its three nominees) are required to hold 51% and 49% of the initial paid up share capital of the Proposed Company, respectively.

The salient terms and conditions of the JVA are *inter alia* the following:

a) Katoen Natie and the Company will nominate three and two directors respectively on the board of the Proposed Company and will continue to maintain it in the same proportion as their shareholding in the Proposed Company. The chairman of the Proposed Company shall be nominated by Katoen Natie and the Company on a two year rotational basis. The chief financial officer of the Proposed Company shall be a nominee of the Company and the chief executive officer shall be a nominee of Katoen Natie.

b) As per the JVA, an affirmative vote of one representative of each of the parties (in the case of shareholders meeting) and one nominee director of each of the parties (in the case of board meeting) would be required for approving the matters qualified as reserved matters under the JVA. In the event of deadlock i.e. a resolution on the reserved matters has not been passed due to the lack of an affirmative vote, it shall be resolved by a conflict resolving committee, or else by a conciliation panel. In the event, one of the parties does not implement the decision of the conciliation panel, the other party may terminate the JVA, leading to winding up of the Proposed Company.

c) The shares held by Katoen Natie and the Company would be locked in for a period of three years and would be non-transferrable (except transfer to affiliates or a nominee shareholder as defined in the JVA). On the expiry of the lock-in period, any transfer of shares to any person is subject to the right of first refusal and tag along right available to the other shareholder under the JVA.

a) Additionally, in the event the Proposed Company requires additional funding, the same shall be met by borrowings from banks/ financial institutions, subscribtion of further shares by the Company and Katoen Natie or shareholder loans by them.

d) The Proposed Company shall enter into a corporate name license agreement and a confidentiality agreement with each of the parties.

e) The Company shall refrain from engaging worldwide directly or indirectly in any activity competing with the Business. Katoen Natie shall refrain from engaging in India directly or indirectly in any activity competing with the Business.

3. Subscription Agreement dated July 6, 2010 ("Subscription Agreement") between IOT Utkal, Tata Capital Limited ("Tata Capital"), L&T Infrastructure Finance Company Limited ("L&T" an together with Tata Capital, the "Investors"), IVRCL Assets & Holdings Limited, IVRCL Infrastructure & Projects Limited and the Company

On July 6, 2010 the Subscription Agreement was entered into between the Company, the Investors, IOT Utkal IVRCL Assets and IVRCL for the Investors to invest an amount of Rs. 2,000 million in aggregate for issue of compulsorily convertible debentures to part fund the Paradip Refinery Storage Terminal. The security for the purpose of securing the obligations of IOT Utkal are (i) pledge by the Company and IVRCL 49% of the paid up equity capital of IOT Utkal; (ii) assignment of 100% of the shareholders' loans; and (iii) a subservient charge on certain assets. The Subscription Agreement includes standard representation and warranties on behalf of each of the parties along with a call option provided to IVRCL and the Company and a put option provided to the Investors.

Strategic Partners

We have entered into joint venture agreements with third parties, including Katoen Natie for conducting our businesses. For further details, see the section "Subsidiaries and Joint Ventures" beginning on page 130 of this Draft Red Herring Prospectus.

MANAGEMENT

Under the Articles of Association the Company is required to have at least four Directors and not more than 12 Directors. The Company currently has eight Directors.

The following table sets forth details regarding the Board as of the date of filing of the Draft Red Herring Prospectus:

<table>
<tr><th>Name, Father’s Name, Designation, Address, Occupation, Nationality, Term and DIN</th><th>Age (in years)</th><th>Other Directorships/Partnerships/Trusts</th></tr>
<tr><td>Brij Mohan Bansal
(S/o Late Shyam Sunder Bansal)

Chairman

Address: 837, Asiad Village Complex, New Delhi, 110 049

Occupation: Service

Nationality: Indian

Term: Until the ensuing annual general meeting of the Company and thereafter liable to retire by rotation

DIN: 00142166</td><td>59</td><td>Other directorships

1. Indian Oil Corporation Limited
2. Chennai Petroleum Corporation Limited
3. IndianOil Mauritius Limited

Partnerships

Nil

Trusts

Nil</td></tr>
<tr><td>Jayanta Bhuyan
(S/o Late Ishwardas Bhuyan)

Managing Director

Address: 902, Sovereign, Hiranandani Gardens, Powai, Mumbai 400 076

Occupation: Service

Nationality: Indian

Term: Five years with effect from July 3, 2007

DIN: 00190051</td><td>59</td><td>Other directorships

1. IOT Engineering Projects Limited
2. IOT Design & Engineering Limited
3. IOT Mabagas Limited
4. IOT Anwesha Engineering & Construction Limited
5. Zuari Indian Oiltanking Limited
6. IndianOil Skytanking Limited
7. IOT Engineering & Construction Services Pte. Ltd., Singapore
8. Indian Oiltanking Engineering & Construction Services LLC, Oman
9. IOT Canada Limited
10. Newsco Directional & Horizontal Drilling Services (Asia) Inc.
11. Indian Oiltanking Anwesha Engineering & Construction LLC, Oman
12. PT IOT Energy Services Indonesia
13. IOT Utkal Energy Services Limited
14. IOT Infrastructures Private Limited
15. IndianOil Skytanking Delhi Private Limited

Partnerships

Nil</td></tr>
</table>

Name, Father's Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships/Partnerships/Trusts
		Trusts 1. The IOT Foundation 2. IOT Infrastructure & Energy Services Limited Employees Group Superannuation Scheme 3. IOT Infrastructure & Energy Services Limited Group Gratuity Cum Assurance Scheme
Rutger Van Thiel (S/o Pieter Johanes Jacobus Van Thiel) *Non-Independent, Non-Executive Director appointed as a nominee of Oiltanking India* Address: Neuer Wall 48, 20354, Hamburg, Germany Occupation: Services Nationality: Dutch Term: Till the ensuing annual general meeting of the Company and thereafter liable to retire by rotation DIN: 03199912	46	*Other directorships* 1. Oiltanking GmbH 2. Oiltanking Benelux GmbH 3. Oiltanking India GmbH 4. Oiltanking Egypt GmbH 5. Oiltanking Peru GmbH 6. Oiltanking Asia Pacific Pte. Ltd. 7. Oiltanking Odjfell Terminal Pte. Ltd. 8. Oiltanking Singapore Limited 9. Pipe Rack Holding Company Private Limited 10. Oiltanking Terminal Pte. Ltd. 11. PT OT Merak Terminal 12. Oiltanking Daya Bay Co. Ltd. 13. Daya Bay Public Pipe Rack Co. Ltd. 14. Huizhou Daya Bay Oiltanking Petrochemical Public Jetty 15. Oiltanking (Nanjing) Co. Ltd. 16. Oiltanking KNOC Yeosu Co. Ltd. *Partnerships* Nil *Trusts* Nil
Aart Willem Lokhorst (S/o Gujsbertus Lokhorst) *Non-Independent, Non-Executive Director appointed as a nominee of Oiltanking India* Address: 724 Chelsea Cloisters – Sloane Avenue, London SW3 3DS, UK Occupation: Service Nationality: Dutch Term: Liable to retire by rotation DIN: 00532280	66	*Other directorships* 1. Marquard & Bahls Aktiengesellschaft 2. Star Energy Resources Ltd. 3. IOT Mabagas Limited *Partnerships* Nil *Trusts* Nil

Name, Father's Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships/Partnerships/Trusts
S. V. Narasimhan (S/o R. Varadarajan) *Non-Independent, Non-Executive Director appointed as a nominee of Indian Oil* Address: B 835 Dhyanchand Marg, Asiad Village Complex, New Delhi, 110 049 Occupation: Service Nationality: Indian Term: Until the ensuing annual general meeting of the Company and thereafter liable to retire by rotation DIN: 00142132	59	*Other directorships* 1. Lanka IOC PLC, Sri Lanka 2. Indian Oil Corporation Limited 3. Petronet LNG Limited *Partnerships* Nil *Trusts* Nil
R. Narayanan (S/o S. Raghunathachary) *Non-Independent, Non-Executive Director appointed as a nominee of Indian Oil* Address: 650, Asiad Village Complex, New Delhi, 110 049 Occupation: Service Nationality: Indian Term: Liable to retire by rotation DIN: 00803486	58	*Other directorships* 1. Petronet India Limited 2. Indian Synthetic Rubber Limited *Partnerships* Nil *Trusts* Nil
Shyam Sunder Suri (S/o Ramakrishna Suri) *Non-Executive, Independent Director* Address: 601/602 Oyster Shell II, Juhu Tara Road, Juhu Mumbai 400 049 Occupation: Service Nationality: Indian Term: Until the ensuing annual general meeting of the Company and thereafter liable to retire by rotation	61	*Other directorships* 1. Magus Customer Dialog Private Limited 2. Tandem Solutions Private Limited 3. Tipco Industrial & Marketing Services Private Limited 4. High Mark Credit Information Services Private Limited *Partnerships* Ramakrishna & Sons *Trusts*

Name, Father's Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships/Partnerships/Trusts
DIN: 00410766		Nil
Arun Balakrishnan (S/o Payyanadan Thayampally Balakrishnan) *Non-Executive, Independent Director* Address: 12, Mayfair Gardens, Little Gibbs Road, Malabar Hill, Mumbai 400 006 Occupation: Retired government officer Nationality: Indian Term: Until the ensuing annual general meeting of the Company and thereafter liable to retire by rotation DIN: 00130241	60	*Other directorships* Nil *Partnerships* Nil *Trusts* Nil
T. C. Venkat Subramanian (S/o T. C. Chandrasekharan) *Non-Executive, Independent Director* Address: Flat No. 10, Devayan Apartments, Ganesh Nagar, Rue Pappamal Koil, Puducherry, 605 003 Occupation: Consultant Nationality: Indian Term: Until the ensuing annual general meeting of the Company and thereafter liable to retire by rotation DIN: 00040526	61	*Other directorships* 1. LIC MF Trustee Co. Private Limited 2. Securities Trading Corporation of India Limited 3. Agricultural Finance Corporation Limited *Partnerships* Nil *Trusts* Foundation for Organisational Research and Education, Delhi
P. Sugavanam (S/o Venkatraman Padmanabhan) *Non-Executive, Independent Director* Address: 119, Block- A, Vinay Cascades Thimmarayappa Garden, 3rd Main, 11th cross, Sivanand Nagar, Bangalore 560 075 Occupation: Consultant	65	*Other directorships* Nil *Partnerships* Nil *Trusts* Nil

Name, Father's Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships/Partnerships/Trusts
Nationality: Indian Term: Until the ensuing annual general meeting of the Company and thereafter liable to retire by rotation DIN: Provisional DIN - 03229120		
Vinod Kumar Sharma (S/o: Late Shri Pran Nath Sharma) *Non-Executive, Independent Director* Address: 506, Suraj, New Vasundhara Co-operative Housing Society, Thakur Village Kandivali (East) Mumbai 400 101 Occupation: Independent Director Nationality: Indian Term: Until the ensuing annual general meeting of the Company and thereafter liable to retire by rotation DIN: 00115426	66	*Other directorships* 1. Tata Petrodyne Limited *Partnerships* Nil *Trusts* Nil
Samir Kumar Barua (S/o Prakriti Ranjan Barua) *Non-Executive Independent Director* Address: House No. 501, Indian Institute of Management, Ahmedabad, 380 015 Occupation: Director, IIM , Ahmedabad Nationality: Indian Term: Until the ensuing annual general meeting of the Company and thereafter liable to retire by rotation DIN: 00211077	59	*Other directorships* 1. Bharat Petroleum Company Limited 2. Coal India Limited 3. Securities Trading Corporation Limited 4. Torrent Power Limited 5. Paras Pharmaceuticlas Limited *Partnerships* Nil *Trusts* Nil

None of the Directors are related to each other.

Brief Biographies of the Directors

Brij Mohan Bansal

Brij Mohan Bansal is the Non-Executive Chairman of the Company. He has been associated with the Company since March 11, 2010 and became the Chairman of the Company with effect from March 11, 2010. He has obtained a B. Tech degree in Chemical Engineering along with D.I.I.T in Process Plant Engineering from IIT, Delhi. He has over three decades of experience in the oil and gas industry in areas spanning business development, R&D, refining and technical services. He has presented several papers on refining, petrochemicals and LNG in international seminars in India and abroad including Asia National Gas 2000 Conference in Singapore in 2000, Indonesian International Oil and Gas Conference in Jakarta and Asia Natural Gas Markets 2001.

Jayanta Bhuyan

Jayanta Bhuyan is the Managing Director of the Company. He has been associated with the Company since August 28, 1996 and was appointed as Managing Director of the Company with effect from July 3, 1997. He holds a Bachelors degree in Science from Delhi University and a Masters degree in Business Administration from Indian Institute of Management, Ahmedabad. He has over 37 years of experience in the oil and gas industry. Before joining the Company, he worked as Executive Director, Marketing Operations, Mumbai and Executive Director, Marketing, Western Division with Indian Oil.

Rutger Van Thiel

Rutger Van Thiel is the Non-Independent, Non- Executive Director appointed as a nominee of Oiltanking India since September 1, 2010. He holds a Masters degree in business science from University of Groningrn, Netherlands. He has over 15 years of experience in the oil and gas industry.

Aart Willem Lokhorst

Aart Willem Lokhorst is the Non-Independent, Non- Executive Director appointed as a nominee of Oiltanking India since October 1, 1996. He holds a Masters degree in mechanical engineering from the University at Delft, Holland. He has over 40 years of experience in the oil and gas industry.

S. V. Narasimhan

S. V. Narasimhan is the Non-Independent, Non- Executive Director appointed as a nominee of Indian Oil since September 1, 2010. He is a Chartered Accountant and holds a Masters degree in Management from the Faculty of Management Studies, Delhi. He has over 35 years of experience in the oil and gas industry. In addition, currently he is serving as a Director of Indian Oil and Chairman of Lanka IOC PLC, Sri Lanka.

R. Narayanan

R. Narayanan is the Non-Independent, Non- Executive Director appointed as a nominee of Indian Oil since September 18, 2009. He is a Chartered Accountant and a Company Secretary. He has over 33 years of experience in the petroleum product pricing industry. He is presently Executive Director (Corporate Affairs) of Indian Oil and has been associated with Indian Oil (Mauritius) Limited and Lanka IOC PLC, Sri Lanka.

Shyam Sunder Suri

Shyam Sunder Suri is the Non-Executive, Independent Director of the Company since September 1, 2010. He holds a degree in Mechanical Engineering from College of Engineering Guindy, Madras University and is an MBA from IIM, Ahmedabad. He has over 35 years of experience in the marketing industry. He was one of the founders of Marketing and Business Associates and also promoted Magus Customer Dialog Private Limited in 1989.

Arun Balakrishnan

Arun Balakrishnan is the Non-Executive, Independent Director of the Company since September 1, 2010. He holds a degree in Chemical Engineering from the Government College of Engineering Trichur, Kerela and is an MBA from Indian Institute of Management, Bangalore. He has over 30 years of experience in the oil and gas industry. Arun Balakrishnan is the former Chairman and Managing Director of Hindustan Petroleum Corporation Limited.

T. C. Venkat Subramanian

T. C. Venkat Subramanian is the Non-Executive, Independent Director of the Company since September 1, 2010. He holds a degree in Electrical Engineering from P.S.G. College of Technology, Coimbatore and is a certified associate of the Indian Institute of Bankers. He has over 37 years of experience in the financial sector. Prior to joining the Company, he was associated with Exim Bank of India, Bank of India, Industrial Development Bank of India. He worked in Turkey as a consultant in 1987 and assisted in the establishment of the Exim Bank of Turkey. He also undertook consultancy assignments in Armenia for establishing export development project and in Ukraine for designing export development schemes for Ukraine Exim Bank. He was the President of the Global Network of Exim Banks and Development Financial Institutions, Geneva under the auspices of UNCTAD during 2006-09. He was conferred with "Outstanding CEO" award by Association of Development Finance Institutions of Asia Pacific, Manila, Philippines in 2008 and has been nominated as a member of "Indian Council Of World Affairs" (a think tank on foreign affairs under the auspices of Ministry of External Affairs) by Government of India vide Gazette notification dated July 14, 2010, for a period of three years.

P. Sugavanam

P. Sugavanam is the Non-Executive, Independent Director of the Company since September 1, 2010. He is a qualified chartered accountant and is a member of the Institute of Chartered Accountants of India. He has over 40 years of experience in the oil and gas industry and was the former director (Finance) of Indian Oil Corporation Limited.

Vinod Kumar Sharma

Vinod Kumar Sharma is the Non-Executive, Independent Director of the Company since September 1, 2010. He holds a degree in Electrical Engineering from the Thapar Institute of Engineering and Technology. He Sharma has wide experience in the fields of oil exploration and production and materials management. He started his career with Directorate General of Supplies and Disposals, the central purchase organisation of the Government of India where he worked for six years. He joined Oil & Natural Gas Corporation (ONGC) in 1972 and was elevated to the board of directors of ONGC, as director (Offshore) in February 2001 and was responsible for marketing of oil and gas, materials management policies of the ONGC, apart from production of oil and gas offshore. He was also entrusted with the assignment of director-in-charge, Mangalore Refinery & Petrochemicals Ltd (MRPL) after its acquisition by ONGC. In addition, he represented ONGC on the board of Mazgaon Docks Limited, Pawan Hans Limited and Mangalore Port Trust. He superannuated from ONGC in May 2004. He is presently also a non-executive director on the board of Tata Petrodyne Limited.

Samir Kumar Barua

Samir Kumar Barua is the Non-Executive, Independent Director of the Company since September 1, 2010. He holds a master's degree in technology from the Indian Institute of Technology, Kanpur and has a doctorate in management from the Indian Institute of Management, Ahmedabad. He has been the faculty of Indian Institute of Management Ahmedabad, for the last 30 years and is currently the Director of the Indian Institute of Management, Ahmedabad and on the boards of Bharat Petroleum Company Limited, Coal India Limited, Securities Trading Corporation Limited, Torrent Power Limited and Paras Pharmaceuticlas Limited as an independent director.

Terms of Appointment of the Chairman and the Executive Directors

Brij Mohan Bansal

Brij Mohan Bansal has been appointed as an additional Director of the Company and shall hold the office until the ensuing AGM of the Company and his appointment shall be approved by shareholders at the ensuing AGM of the Company. The following shall be his terms of appointment:

Particulars	Remuneration

Particulars	Remuneration
Salary	Nil
Commission	Nil
Perquisites	Nil

Jayanta Bhuyan

Jayanta Bhuyan was appointed as the Managing Director of the Company on May 25, 2007 for a period of five years with effect from July 3, 2007 and as approved by the Shareholders of the Company pursuant to their resolution dated August 27, 2007. The following are his terms of appointment:

Particulars	Remuneration
Salary	Rs. 1,575,000 per annum Performance incentive of Rs. 688,434 per annum
Commission	As decided by the Board and the shareholders
Perquisites	• **Housing:** Rent free furnished residential accommodation or house rent allowance of 60% of the salary. Expenditure on gas, electricity and water to be valued as per the Income Tax Rules, 1962, restricted upto 10% of the basic salary. • **Medical benefits:** Reimbursement of medical expenses incurred for domiciliary treatment and hospitalisation charges for himself and family. • **Leave travel assistance:** Leave travel assistance for himself and family, once in a year equivalent to one and half month's salary. • **Attendants' wages:** Reimbursement of attendants' wages for office at residence restricted upto 10% of the salary. • **Provident fund and superannuation fund:** Company's contribution to the provident fund and superannuation fund to the extent not taxable under the I.T. Act. • **Gratuity:** Not exceeding half month's salary for each completed year of service. • **Encashment of leave:** Encashment of leave at the end of tenure. • **Car**: Company car with chauffer to be provided for use for Company's business. • **Telephone:** Provision of telephone facilities or re-imbursement of telephone expenses at his residence and mobile phone expenses, excluding personal long distance calls. • **Earned Leave:** One month's leave with full pay and allowance for every completed 11 months service. Leave accumulated and not availed during his tenure shall be allowed to be encashed. • **Club fee:** Fee of two clubs.

Payment or benefit to Directors of the Company

The sitting fees/other remuneration paid to the Directors in Fiscal 2010 are as follows:

1. Remuneration to Executive Directors:

No Director, other than Jayanta Bhuyan is an executive Director of the Company.

2. Remuneration to Non- Executive Directors:

No sitting fees and other payments have been paid to the Non-Executive Directors other than M.G. Bhide in Fiscal 2010. No amount or benefit (non salary related) has been paid within the two preceding years or is intended to be paid or given to any of the Company's officers including the Directors and key management personnel, including benefits in kind for all capacities and contingent or deferred compensation. None of the beneficiaries of loans, and advances and sundry debtors are related to the Directors of the Company. Further, except statutory benefits upon termination of their employment in the Company or retirement, no officer of the Company, including the Directors and the key management personnel, are entitled to any benefits upon termination of employment.

No loans, other than an advance of Rs. one Million to Ashutosh Kaushik, have been availed by the Directors or the key management personnel from the Company.

Shareholding of Directors

The shareholding of the Directors as of the date of filing this Draft Red Herring Prospectus is set forth below:

Name of Director	Number of Equity Shares held
Brij Mohan Bansal	1*
Jayanta Bhuyan	110,001**

** held jointly with Indian Oil as its nominee*
*** One Equity Share held as a nominee of Oiltanking India*

Except as disclosed above, none of the Directors hold Equity Shares of the Company.

The Articles of Association do not require the Directors to hold any qualification shares.

Borrowing Powers of Board

The Company, pursuant to an AGM held on October 14, 1997, has resolved that, in accordance with the provisions of the Companies Act, the Board is authorised to borrow from time to time, all such sum(s) of money (including by way of external commercial borrowings in foreign denominated currencies from any foreign sources/foreign countries as prescribed by the guidelines in this regard), as the Board may deem requisite for the purpose of the Company, not withstanding that the money(s) to be borrowed together with the money(s) already borrowed by the Company and outstanding (apart from the temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of the Company i.e. reserves not set apart for any specific purpose, and provided that the total amount borrowed / to be borrowed by the Board shall not, at any time, exceed the limit of Rs. 6,000 Million.

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of the Equity Shares with the Stock Exchanges. We believe we are in compliance with the requirements of the applicable regulations, including the Listing Agreement with the Stock Exchanges and the SEBI Regulations, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

The Company's Board is constituted in compliance with the Companies Act and the Listing Agreement with the Stock Exchanges. The Board functions either as a full board or through various committees constituted to oversee specific functions. The executive management provides the Board detailed reports on its performance periodically.

Currently the Board has twelve Directors and the Chairman is an Executive Director. In compliance with the requirements of Clause 49 of the Listing Agreement, we have one Executive Director and 11 Non-Executive Directors, including six independent Directors, on the Board.

Committees of the Board

Audit Committee

The members of the Audit Committee are:

1. P. Sugavanam, *Chairman*;
2. Samir Kumar Barua; and
3. T. C. Venkat Subramanian.

The Audit Committee was constituted by a meeting of the Board held on March 8, 2001 and re-constituted by a meeting of the Board held on July 27, 2010. The scope and function of the Audit Committee is in accordance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement and its terms of reference include the following:

1. Overseeing the Company's financial reporting process and disclosure of its financial information and to ensure that the financial information is correct, sufficient and credible;

2. Recommending to the Board the appointment, re-appointment and, if required, replacement or removal of the statutory auditor and the fixation of the 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;

    (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 judgement 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 as contained in the AS-18 issued by ICAI; and

    (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 statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

8. 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;

9. Discussion with internal auditors on any significant findings and follow up there on;

10. 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;

11. 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;

12. 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;

13. Reviewing the functioning of the whistle blower mechanism, in case the same is existing;

14. 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 weakness 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 auditors;

15. Approval of appointment of CFO (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;

16. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and

The powers of the Audit Committee shall include the following:

1. To investigate any activity within its terms of reference;

2. To seek information from any employees;

3. To obtain outside legal or other professional advise; and

4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;

2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;

3. Management letters / letters of internal control weaknesses issued by the statutory auditors;

4. Internal audit reports relating to internal control weaknesses; and

5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

The Audit Committee is required to meet at least four times in a year under Clause 49 of the Listing Agreement. The last meeting of the Audit Committee was held on May 6, 2010.

Shareholders/ Investors' Grievance Committee

The members of the Shareholders/Investors' Grievance Committee are:

1. Arun Balakrishnan, *Chairman*;
2. R. Narayanan; and
3. Vinod Kumar Sharma.

The Shareholders/ Investors' Grievance Committee was constituted by the Board at the meeting held on July 27, 2010. This Shareholders/ Investors' Grievance Committee is responsible for the redressal of shareholder grievances. The terms of reference of the Shareholders/ Investors' Grievance Committee of the Company include the following:

1. Redressal of shareholders' and investors' complaints, including but not limited to, transfer of shares, non-receipt of balance sheet and non-receipt of dividends;

2. Allotment and listing of shares; and

3. Reference to statutory and regulatory authorities for investors grievances.

ESOP Compensation Committee

The members of the ESOP Compensation Committee are:

1. Jayanta Bhuyan, *Chairman*;
2. R. Narayanan;
3. Mr. P. Sugavanam;
4. Mr. Arun Balakrishnan; and
5. Mr. Vinod Kumar Sharma.

The ESOP Committee was constituted by the Board at the meeting held on March 28, 2008 and was further reconstituted by the Board at the meeting held on July 27, 2010. The terms of reference of the ESOP Committee of the Company include the following:

1. To grant options subject to limits specified by the Board;

2. Other matters related to normal administration of ESOP Scheme, within the parameters approved by the Board; and

3. Other issues referred by the Board.

IPO Committee

The members of the IPO Committee are:

1. Jayanta Bhuyan, *Chairman*;
2. R. Narayanan; and
3. Dr. Claus –George Nette.

The IPO Committee was constituted by the Board at the meeting held on December 28, 2009. The terms of reference of the IPO Committee of the Company include the following:

1. To decide on the timing, pricing and all the terms and conditions of the issue of the shares for the public issue;

2. To approve and adopt on behalf of the Board, the Restated Financial Statements for the last five financial years for publication in the Draft Red Herring Prospectus, Red Herring Prospectus and Final Offer Document;

3. To appoint and enter into arrangements with the book running lead managers, underwriters to the public issue, syndicate members to the public issue, brokers to the Public Issue, escrow collection bankers to the public issue, registrars, legal advisors and any other agencies or persons or intermediaries to the public issue;

4. To finalise, settle, approve and adopt the Draft Red Herring Prospectus, the Red Herring Prospectus, and the Prospectus for the issue of equity shares and take all such actions as may be necessary for filing of these documents, as may he required by SEBI or any other relevant authorities;

5. To finalise, settle, execute and deliver or arrange the delivery of the syndicate agreement, underwriting

agreement, escrow agreement and all other instruments whatsoever with the registrar to the issue, legal advisors, stock exchange(s), auditors, BRLMS and any other intermediaries in relation to the Issue with the power to authorise one or more officers of the Company to execute all or any of the aforestated documents;

6. To make applications, if necessary, to the Foreign Investment Promotion Board, or to any other relevant authorities in connection with the Issue and, wherever necessary, incorporate such modifications/ amendments/ alterations/ corrections as may be required in the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus;

7. To open and operate bank account(s) of the Company in terms of the escrow agreement for handling of refunds for the Issue and to authorise one or more officers of the company to execute all documents/deeds as may be necessary in this regard;

8. To determine and finalise the floor price/ price band for the Issue, approve the basis for allocation and confirm allocation of the equity shares to various categories of persons as disclosed in the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, in consultation with the BRLMs and do all such acts and things as may be necessary and expedient for, and incidental and ancillary to, the Issue;

9. To make applications for listing of the shares in one or more stock exchange(s) for listing of the equity shares of the Company and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s);

10. To issue receipts/ allotment letters/ confirmations of allotment note/anchor investor allocation notice notes representing the underlying equity shares in the capital of the Company and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the company to sign all or any of the aforestated documents;

11. To do all such deeds and acts as may be required to dematerialise the equity shares of the Company and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorise one or more officers of the company to execute all or any of the aforestated documents;

12. To comply with such corporate governance requirements as may be necessary for filing of the offer document;

13. To authorise and approve the incurring of expenditure and payment of fees, commissions, remuneration and expenses in connection with the Public Issue;

14. To settle all questions, difficulties or doubts that may arise in regard to such issues or allotment as it may, in its absolute discretion deem fit; and

15. To delegate any of the powers mentioned above to any officer of the Company.

Interest of Directors

The Directors may be deemed to be interested to the extent of any fees and remuneration payable to them by the Company and/or the Promoters as well as to the extent of any reimbursement of expenses payable to them, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company or the Promoters.

The Directors may also be regarded as interested in the Equity Shares and the employee stock options granted under the ESOP 2007, if any, held by them or by the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this 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 Equity Shares.

Except, Jayanta Bhuyan, who is interested in the rental income received by his wife, Neelakshi Jayanta Bhuyan for the property leased to IOT Design & Engineering Limited at Gurgaon, the Directors have no interest in any property acquired by the Company within the preceding two years from the date of this Draft Red Herring Prospectus.

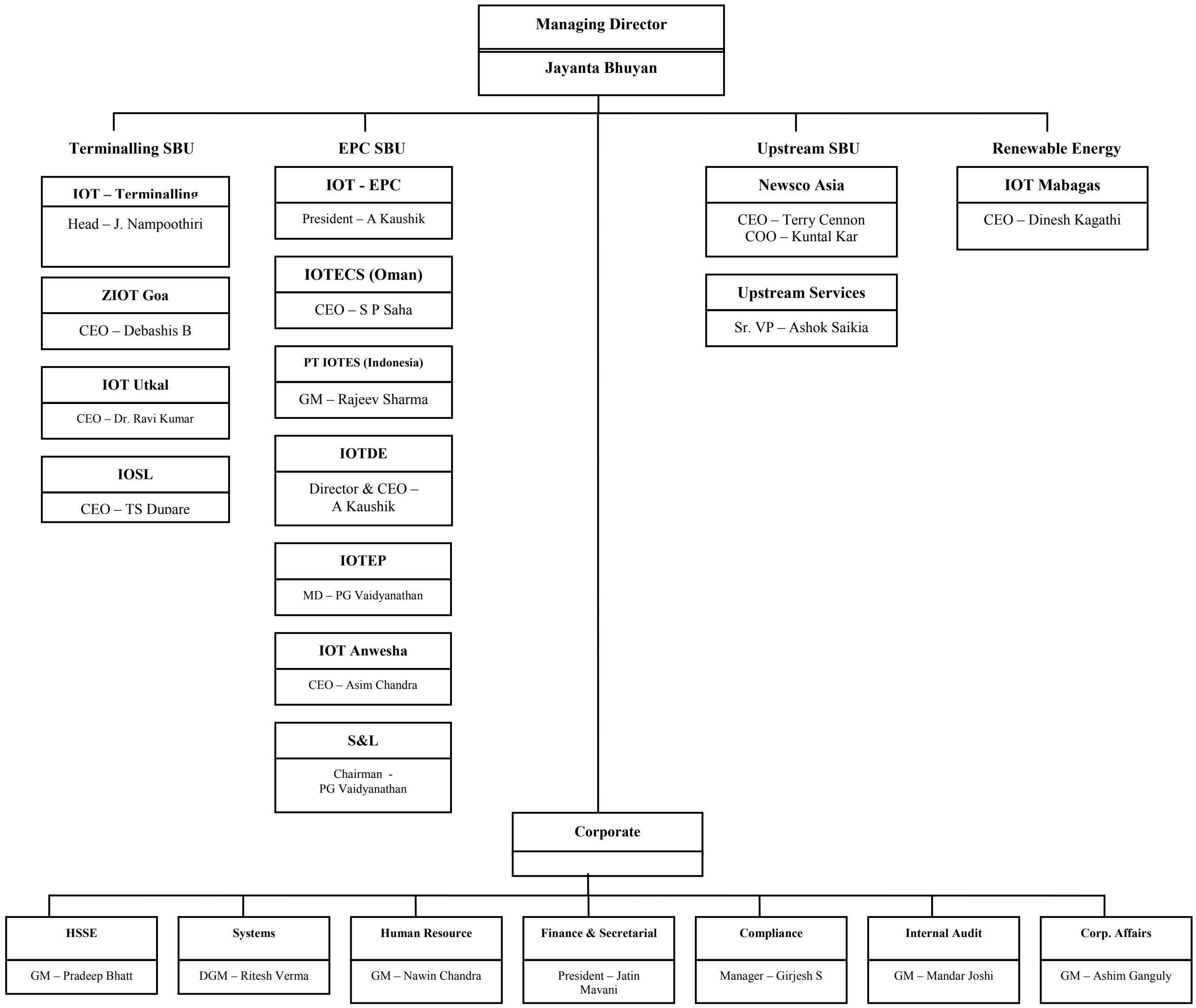
Except as stated in the section "Related Party Transactions" beginning on page 185 of this Draft Red Herring Prospectus and described herein to the extent of shareholding in the Company, if any, the Directors do not have any other interest in the business of the Company.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which the Directors or the key management personnel were selected as director or member of senior management, except under the terms of the joint venture agreement dated July 4, 2002 between Oiltanking India and Indian Oil. For details, see the section "History and Certain Corporate Matters" beginning on page 108 of this Draft Red Herring Prospectus.

Changes in the Board in the last three years

Name	Date of Appointment/ Change/ Cessation	Reason
S.C. Jain	October 31, 2007	Appointment
B.N. Bankapur	October 31, 2007	Appointment
P.K. Goyal	October 31, 2007	Cessation
A.M. Uplenchwar	October 31, 2007	Cessation
R. Naraynan	September 18, 2009	Appointment
A.M.K. Sinha	September 18, 2009	Appointment
S.C. Jain	September 18, 2009	Cessation
B.N. Bankapur	September 18, 2009	Cessation
Brij Mohan Bansal	March 11, 2010	Appointment as Chairman
Sarthak Behuria	March 11, 2010	Cessation
M.G. Bhide	July 27, 2010	Cessation
G.C. Daga	July 27, 2010	Cessation
August Spaepen	July 27, 2010	Cessation
A.M.K. Sinha	July 27, 2010	Cessation
S.V. Narasimhan	September 1, 2010	Appointment
T.C. Venkatsubramanian	September 1, 2010	Appointment
Rutger Van Thiel	September 1, 2010	Appointment
Shyam Sunder Suri	September 1, 2010	Appointment
Arun Balakrishnan	September 1, 2010	Appointment
Samir Kumar Barua	September 1, 2010	Appointment
P. Sugavanam	September 1, 2010	Appointment
Vinod Kumar Sharma	September 1, 2010	Appointment

Organisation Chart



Key Management Personnel

The following are the details of the key management personnel of the Company, as of the date of this Draft Red Herring Prospectus:

Ashutosh Kaushik, aged 53 years and an Indian national, is the President, EPC Business. He joined the Company on January 4, 1997. He is a chemical engineer and has obtained his degree from Harcourt Butler Technological Institute, Kanpur and has 30 years of experience in the field of procurement, project management, contracts management and general administration. Before joining the Company, he has worked with Indian Oil in the area of project management and construction. During Fiscal 2010, he was paid gross compensation of Rs. 3.85 Million.

Jathavedan Nampoothiri, aged 50 years and an Indian national, is the Senior Vice President, Terminalling Business. He joined the Company on December 1, 2006. He is a mechanical engineer and has obtained his degree from University of Kerala and has 26 years of experience. Before joining the Company, he has worked with Indian Oil in the area of production, sales and general management services. During Fiscal 2010, he was paid gross compensation of Rs. 2.41 Million.

Ashok Kumar Saikia, aged 43 years and an Indian national, is the Senior Vice President, Upstream Services. He joined the Company on October 10, 2008. He is an electrical engineer and has obtained his degree from Regional Engineering College, Silchar and has more than 20 years of experience in the field of exploration and production in oil and gas sector. Before joining the Company, he has worked with Canoro Resources Limited in the area of exploration and production. During Fiscal 2010, he was paid gross compensation of Rs. 3.38 Million.

Jatin Mavani, aged 52 years and an Indian national, is the President, Finance. He joined the Company on January 1, 1998. He is a qualified Chartered Accountant and Company Secretary and has more than 27 years of experience in the field of finance, accounts and general administration. Before joining the Company, he has worked with Indian Oil in the area of finance and accounts. During Fiscal 2010, he was paid gross compensation of Rs. 5.13 Million.

Ritesh Verma, aged 33 years and an Indian national, is the Deputy General Manager, Information Technology. He joined the Company on July 1, 1998. He holds an advance diploma in mechatronics and industrial automation from Indo Swiss Training Centre, Chandigarh and has more than 12 years of experience in the field of information technology and systems. During Fiscal 2010, he was paid gross compensation of Rs. 1.14 Million.

Pradeep Bhatt, aged 39 years and an Indian national, is the General Manager, HSSE. He joined the Company on October 3, 2005. He has done diploma in industrial safety from Maharashtra Technical Eductaion Board and holds a masters degree in ecology and environment from Sikkim Manipal University. He has more than 18 years of experience in the field of HSSE. Before joining the Company, he has worked with National Fire Academy, Vadodra in the area of training and development. During Fiscal 2010, he was paid gross compensation of Rs. 1.14 Million.

Nawin Chandra, aged 34 years and an Indian national, is the General Manager (HR). He joined the Company on March 17, 2004. He holds a diploma (PGDBA) in human resource management from University of Chennai and has more than 14 years of experience in human resource management and development. Before joining the Company, he has worked with Times group and Lifestyle International. During Fiscal 2010, he was paid gross compensation of Rs. 1.36 Million.

Girjesh Shrivastava aged 33 years and an Indian national, is the Compalince Officer. He joined the Company on July 6, 2007. He is a qualified Company Secretary and has more than five years of experience in company secretarial functions. Before joining the Company, he has worked with MIRC Electronics Limited and MCS Limited. During Fiscal 2010, he was paid gross compensation of Rs. 0.71 Million.

All the key management personnel are permanent employees of the Company and none of the key management personnel are related to each other.

Shareholding of Key Management Personnel

None of the key management personnel holds Equity Shares in the Company except Jatin Mavani and Girjesh Shrivastava, who hold one Equity Share each as nominees of Oiltanking India, in the Company. For details of employee stock options, see the section "Capital Structure" beginning on page 26 of this Draft Red Herring Prospectus.

Bonus or profit sharing plan of the Key Management Personnel

The key management personnel are paid performance incentive pay based on certain performance parameters of such key management personnel and the Company.

Interests of Key Management Personnel

The key management personnel of the Company do not have any interest in the Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and the employee stock options held, if any. All of the key management personnel 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.

None of the key management personnel have been paid any consideration or benefit of any nature from the Company, other than their remuneration and employee stock options under ESOP 2007. The Company has given an advance of Rs. 1.5 Million to Ashutosh Kaushik out of which Rs. 0.5 Million was adjusted from his remuneration.

Changes in the key management personnel

The changes in the key management personnel in the last three years are as follows:

Name	Date of change	Reason for change
Ashutosh Kaushik	June 1, 2009	Joined the Company after working with Oiltanking, Oman as President, EPC Business
Jathavedan Nampoothiri	April 1, 2010	Promoted as Senior Vice President, Head – Terminalling Business

Schemes

The Company has formed the following two schemes for the benefit of its employees:

1. IOT Infrastructure & Energy Services Limited Employees Group Superannuation Scheme (the "**Superannuation Scheme**")

The Superannuation Scheme was formed vide deed dated March 16, 1998 for making provision for certain employees upon their retirement at or after a specified age or upon earlier cessation of service or in the event of their death for their dependents. The trustees under the scheme are Jayanta Bhuyan, Kapil Jain and Jatin Mavani.

2. IOT Infrastructure & Energy Services Limited Group Gratuity Cum Assurance Scheme (the "**Gratuity Scheme**")

The Gratuity Scheme was formed vide deed dated March 16, 1998 for provision of gratuity payments to the employees *inter alia* upon their retirement from service at or after a specified age or their becoming incapacitated prior to such retirement after a minimum period of service. The trustees under the scheme are Jayanta Bhuyan, Kapil Jain and Jatin Mavani.

SUBSIDIARIES AND JOINT VENTURES

The Company has 12 Subsidiaries and three joint ventures.

None of the Subsidiaries or joint ventures have made any public or rights issue in the last three years nor they have become sick companies under the meaning of SICA or are under winding up. Other than as disclosed in the section "Promoters and Promoter Group" beginning on page 144 of the Draft Red Herring Prospectus, the Promoters have not disassociated themselves from any of the companies during the preceding three years.

Unless otherwise specified, all information in this section is as of the date of this Draft Red Herring Prospectus.

Direct Subsidiaries of the Company:

1. Stewarts and Lloyds of India Limited;
2. IOT Engineering & Construction Services Pte. Limited, Singapore;
3. Indian Oiltanking Engineering & Construction Services LLC, Oman;
4. IOT Engineering Projects Limited;
5. IOT Anwesha Engineering & Construction Limited;
6. IOT Design & Engineering Limited;
7. IOT Utkal Energy Services Limited; and
8. IOT Canada Limited, Canada.

Indirect Subsidiaries of the Company:

1. IOT Infrastructures Private Limited;
2. PT IOT Energy Services Indonesia Limited, Indonesia;
3. Newsco Directional & Horizontal Drilling Services (Asia) Inc., Canada; and
4. IOT Anwesha Engineering & Construction LLC., Oman.

Joint ventures of the Company:

1. Zuari Indian Oiltanking Limited;
2. IndianOil Skytanking Limited; and
3. IOT Mabagas Limited.

Subsidiaries

1. Stewarts and Lloyds of India Limited ("Stewarts and Lloyds")

Corporate Information

Stewarts and Lloyds was incorporated on August 18, 1937, in Kolkata as a private limited company in the name of Stewarts and Lloyds of India Private Limited under the Indian law. The Company was converted to a public limited company and the name was changed to Stewarts and Lloyds of India Limited and a fresh certificate of incorporation was issued on June 15, 1965. Stewarts and Lloyds is listed on the BSE and the Calcutta Stock Exchange Limited since 1965. The registered office of Stewarts and Lloyds is situated at 41, Chowringhee Road, Kolkata 700 071. Stewarts and Lloyds is primarily involved in manufacturing, buying, selling or otherwise dealing in tubes, pipes, tabular fittings and products of iron, steel and other metals and alloys.

Capital Structure as of June 30, 2010

	No. of equity shares of Rs. 10 each
Authorised capital	10,000,000
Issued, subscribed and paid-up capital	3,000,000

Shareholding Pattern as of June 30, 2010

The shareholding pattern of Stewarts and Lloyds is as follows:

Category of shareholder	**Number of shareholders**	**Total number of shares**	**Total number of shares held in dematerialized form**	**Total shareholding as a % of total number of shares**		**Shares pledged or otherwise encumbered**	
				As a % of (A+B)	**As a % of (A+B+C)**	**Number of shares**	**As a % of Total No. of Shares**
(A) Shareholding of promoter and promoter group							
(1) Indian							
Bodies corporate	1	1,663,754	1,663,754	55.46	55.46	-	-
Sub total	**1**	**1,663,754**	**1,663,754**	**55.46**	**55.46**	**-**	**-**
(2) Foreign							
Total shareholding of promoter and promoter group (A)	**1**	**1,663,754**	**1,663,754**	**55.46**	**55.46**	**-**	**-**
(B) Public shareholding							
(1) Institutions							
Financial institutions / banks	3	404	-	0.01	0.01	-	-
Insurance companies	4	326,308	326,208	10.88	10.88	-	-
Sub total	**7**	**326,712**	**326,208**	**10.89**	**10.89**	**-**	**-**
(2) Non-institutions							
Bodies corporate	94	249,283	243,297	8.31	8.31	-	-
Individuals						**-**	**-**
Individual shareholders holding nominal share capital up to Rs. 1 lakh	2,790	476,592	377,205	15.89	15.89	-	-
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	4	239,918	239,918	8.00	8.00	-	-
Any others (specify)	**43**	**43,741**	**43,049**	**1.46**	**1.46**	**-**	**-**
Non resident indians	30	39,185	38,493	1.31	1.31	-	-
Clearing members	12	4,510	4,510	0.15	0.15	-	-
Trusts	1	46	46	-	-	-	-

Category of shareholder	Number of shareholders	Total number of shares	Total number of shares held in dematerialized form	Total shareholding as a % of total number of shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
Sub total	**2,931**	**1,009,534**	**903,469**	**33.65**	**33.65**	**-**	**-**
Total public shareholding (B)	**2,938**	**1,336,246**	**1,229,677**	**44.54**	**44.54**	**-**	**-**
Total (A)+(B)	**2,939**	**3,000,000**	**2,893,431**	**100.00**	**100.00**	**-**	**-**
(C) Shares held by custodians and against which depository receipts have been issued	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A)+(B)+(C)	**2,939**	**3,000,000**	**2,893,431**	**-**	**100.00**	**-**	**-**

2. IOT Engineering & Construction Services Pte. Ltd. ("IECSPL")

Corporate Information

IECSPL was incorporated on August 1, 2006, in Singapore under the laws of Singapore. The registered office of IECSPL is situated at 336 Smith Street, #06-308 New Bridge Centre, Singapore 050 336. IECSPL is primarily involved in engineering procurement and construction services for the energy sector, marketing and business development for design and engineering as well as EPC services in the Asia Pacific region and owning and managing part of the Company's business outside India.

Capital Structure as of June 30, 2010

	No. of equity shares of Singapore Dollar 1 each
Authorised capital	N.A.
Issued, subscribed and paid-up capital	1,139,132

Shareholding Pattern as of June 30, 2010

The shareholding pattern of IECSPL is as follows:

Sr. No.	Name of the Shareholder	No. of equity shares	Percentage of total equity holding (%)
1.	IOT Infrastructure & Energy Services Limited	1,139,132	100.00
	Total	**1,139,132**	**100.00**

3. Indian Oiltanking Engineering & Construction Services LLC, Oman ("IOTECS, Oman")

Corporate Information

IOTECS, Oman was incorporated on April 15, 2007, in Oman under the laws of Oman. The registered office of IOTECS, Oman is situated at P.O. Box 1677, Postal Code 111, Seeb, Sultanate of Oman. IOTECS, Oman is primarily involved in engineering, construction, storage and transportation services for energy sector in Oman.

Capital Structure as of June 30, 2010

	No. of equity shares of RO 1 each
Authorised capital	250,000
Issued, subscribed and paid-up capital	250,000

Shareholding Pattern as of June 30, 2010

The shareholding pattern of IOTECS, Oman is as follows:

Sr. No.	Name of the Shareholder	No. of equity shares	Percentage of total equity holding (%)
1.	IOT Infrastructure & Energy Services Limited	175,000	70.00
2.	Seven Seas Co LLC	75,000	30.00
	Total	**250,000**	**100.00**

Shareholders agreement dated April 4, 2007 ("SHA") between Seven Seas Co. LLC ("Seven Seas") and the Company

On April 4, 2007, Seven Seas and the Company entered into the SHA for incorporation of IOECSL for *inter alia* engineering, procurement and construction of tank terminals and providing logistical infrastructure in relation to bulk liquid products in Oman. Under the SHA, the Company and Seven Seas have agreed to subscribe to 70% and 30% of the equity share capital of IOECSL, respectively. The shares held by Seven Seas and the Company will be locked in for a period of one year from April 4, 2007and would be non-transferrable (except transfer to affiliates as defined in the SHA). On the expiry of the lock-in period, any transfer of shares to any person is subject to the right of first refusal by the other shareholder under the SHA. Further, in the event the Company seeks to dispose 21% or more of its shareholding, Seven Seas has the tag along right. In addition, as per the terms of the SHA, a shareholder holding 10% or less shares of IOECSL shall cast their votes in same manner as the Company, until the Company holds 51% shares of IOECSL. IOECSL shall be governed by a committee of shareholders' representatives headed by the managing director appointed by the Company and two members appointed by each of the Company and Seven Seas. The Company shall *inter alia* provide manpower and expertise to IOECSL for technical matters, drafting and reviewing legal documentation, arranging for insurance covers and engineering support. Seven Seas shall provide assistance to IOECSL *inter alia* in applications for necessary permits, logistical issues and hiring of Omani personnel.

4. IOT Engineering Projects Limited ("IOTEP")

Corporate Information

IOTEP was incorporated on May 7, 2007 in Mumbai under the laws of India. The registered office of IOTEP is situated at IOT House, Plot No. 15, 2nd Floor, CEAT Tyre Road, Nahur West, Mumbai 400 078. IOTEP is primarily involved in providing project construction services in the field of refineries, power plants, cement plants, petrochemicals and fertilizers.

Capital Structure as of June 30, 2010

	No. of equity shares of Rs. 10 each
Authorised capital	2,000,000
Issued, subscribed and paid-up capital	2,000,000

Shareholding Pattern as of June 30, 2010

The shareholding pattern of IOTEP is as follows:

Sr. No.	Name of the Shareholder	No. of equity shares	Percentage of total equity holding (%)
1.	IOT Infrastructure & Energy Services Limited	1,999,994	100.00
2.	Jayanta Bhuyan jointly with IOT Infrastructure & Energy Services Limited	1	-
3.	Jatin Mavani jointly with IOT Infrastructure & Energy Services Limited	1	-
4.	Ashutosh Kaushik jointly with IOT Infrastructure & Energy Services Limited	1	-
5.	P G Vaidhyanathan jointly with IOT Infrastructure & Energy Services Limited	1	-
6.	Y.A.Rane jointly with IOT Infrastructure & Energy Services Limited	1	-
7.	K.K.Ranade jointly with IOT Infrastructure & Energy Services Limited	1	-
	Total	**2,000,000**	**100.00**

Agreement dated April 27, 2007 ("Agreement") between P.G. Vaidhyanathan, Y.A. Rane, K.K. Ranade (together with P.G. Vaidhyanathan and Y.A. Rane, ("PMG Group") and the Company

The Company and the PMG Group entered into the Agreement for establishment and management of IOTEP for providing electrical and mechanical construction and construction management services to third party customers. Under the terms of the Agreement, the Company and the PMG Group have agreed to subscribe to 26% and 74% of the equity share capital of IOTEP, respectively. The Company is required to provide additional capital required for development of business and future growth of IOTEP. As per the Agreement, the PMG Group would be in-charge of IOTEP for a minimum period of five years and the Company shall *inter alia* satisfy the machinery and equipments requirements of IOTEP. The initial board of IOTEP shall comprise of seven directors, of which majority of the directors will be nominated by the Company. The shares held by the PMG Group and the Company would be locked in and would be non-transferrable for a period of one year from 15 months. The Company has, upon expiry of such 15 months, a right of calling upon the PMG Group to sell all its shares for a consideration of Rs. 150,000,000. Also, the PMG Group has a right to call upon the Company to purchase all it shares, upon expiry of such 15 months, for a consideration of Rs. 150,000,000. Additionally, the Company shall not transfer the shares until exercise of the call option or the put option. In August 2008, the Company had exercised the call option and acquired 100% equity shares of IOTEP.

5. IOT Anwesha Engineering & Construction Limited ("IOT Anwesha")

Corporate Information

IOT Anwesha was incorporated on May 20, 1998 in Vadodara under the Indian law. The registered office of IOT Anwesha is situated at E Block, 6th Floor, Kalpavruksh, GEB Sub Station, Gotri Road, Vadodra 390 021. IOT Anwesha is primarily involved in design, detail engineering and construction of large diameter site fabricated cone and floating roof tanks, plant and utility piping, erection of plant and machinery for petrochemical, refineries and fertilizer industries.

Capital Structure as of June 30, 2010

	No. of equity shares of Rs. 10 each
Authorised capital	5,000,000
Issued, subscribed and paid-up capital	300,300

Shareholding Pattern as of June 30, 2010

The shareholding pattern of IOT Anwesha is as follows:

Sr. No.	Name of the Shareholder	No. of equity shares	Percentage of total equity holding (%)
1.	IOT Infrastructure & Energy Services Limited	243,240	81.00
2.	Asim Chandra	28,278	9.42
3.	Sukla Chandra	28,279	9.42
4.	Aneesha Chandra	500	0.13
5.	Jayanta Bhuyan*	1	0.01
6.	Jatin Mavani*	1	0.01
7.	Himanshu Mohapatra*	1	0.01
	Total	**300,300**	**100.00**

* *Held as nominees of the Company*

Share purchase cum shareholders agreement dated January 8, 2008 ("SPA") between Asim Chandra, Sukla Chandra (together with Asim Chandra, the "Sellers"), IOT Anwesha (erstwhile, Anwesha Comtech Engineering Limited) and the Company

On January 8, 2008, the Sellers, IOT Anwesha and the Company entered into the SPA for sale and transfer of a part of equity shares of IOT Anwesha held by the Sellers in IOT Anwesha to the Company. IOT Anwesha was engaged in the business of construction and operation of oil and gas infrastructure as well as in EPC business in hydrocarbon and petrochemical sector in India and Middle East Asia. The Sellers agreed to sell a part of their shareholding in IOT Anwesha to the Company, as below:

Name of the Seller	Number of equity shares held in IOT Anwesha as at January 8, 2008	Percentage of equity shares held in IOT Anwesha as at January 8, 2008 (in %)	Number of equity shares proposed to be transferred to the Company	Percentage of equity shares proposed to be transferred to the Company (in %)
Asim Chandra	144,700	48.19	116,422	38.77
Sukla Chandra	155,100	51.65	126,821	42.23
Total	**299,800**	**99.84**	**243,243**	**81.00**

The Company has acquired 243,243 equity shares of IOT Anwesha after the satisfaction of the conditions precedent, as prescribed in the SPA, by the Sellers. The Sellers have ensured transfer of the office premises no. E.601 to 606 at Kalpavrukh Building, Gotri Road, Vadodra, Gujarat. In terms of the SPA, the Company may nominate such number of directors as it considers appropriate and till the time the Sellers hold 10% of the paid up equity share capital of IOT Anwesha, they may nominate one director on the board of IOT Anwesha. The equity shares held by the Sellers are locked in for a period of three years from the date of closing i.e. January 12, 2008 and would be non-transferrable. Any transfer of shares to any person is subject to the right of first refusal available to the other shareholder under the SPA. The SPA stand terminated in the event either party ceases to hold at least 10% of the paid up capital of IOT Anwesha.

6. IOT Design & Engineering Limited ("IOTDE")

Corporate Information

IOTDE was incorporated on September 3, 2007, in Mumbai under the laws of India. The registered office of IOTDE is situated at 103 Spectra, Hiranandani Business Park, Powai, Mumbai, 400 076. IOTDE is primarily involved in designing, establishing, providing, maintaining and performance of engineering and related technical and consultancy services in India and overseas for all types of industries.

Capital Structure as of June 30, 2010

	No. of equity shares of Rs. 10 each
Authorised capital	2,000,000
Issued, subscribed and paid-up capital	2,000,000

Shareholding Pattern as of June 30, 2010

The shareholding pattern of IOTDE is as follows:

Sr. No.	Name of the Shareholder	No. of equity shares	Percentage of total equity holding (%)
1.	IOT Infrastructure & Energy Services Limited	1,999,994	100
2.	Jayanta Bhuyan*	1	-
3.	Shambhunath Jha*	1	-
4.	Jatin Mavani*	1	-
5.	Bibhu Ranjan Choudhary*	1	-
6.	Ashutosh Kaushik*	1	-
7.	Sandip Kamat*	1	-
	Total	**2,000,000**	**100.00**

* *Held as nominees of the Company*

7. IOT Utkal Energy Services Limited ("IOT Utkal")

Corporate Information

IOT Utkal was incorporated on December 8, 2009, in Orissa under the laws of India. The registered office of IOT Utkal is situated at Tarini Gada, Bijaychandrapur, Paradip 754 142. IOT Utkal is primarily involved in installation, operation and maintenance of crude and finished products tankages facility at Paradip refinery of Indian Oil on BOOT basis.

Capital Structure as of June 30, 2010

	No. of equity shares of Rs. 10 each
Authorised capital	150,000,000
Issued, subscribed and paid-up capital	150,000,000

Shareholding Pattern as of June 30, 2010

The shareholding pattern of IOT Utkal is as follows:

Sr. No.	Name of the Shareholder	No. of equity shares	Percentage of total equity holding (%)
1.	IOT Infrastructure & Energy Services Limited	78,749,994	52.50
2.	Oiltanking GmbH	15,000,000	10.00
3.	IVRCL Assets & Holdings Limited	56,250,000	37.50
4.	Jayanta Bhuyan*	1	-
5.	Jatin Mavani*	1	-
6.	Ashutosh Kaushik*	1	-
7.	Kapil Jain*	1	-
8.	Dr. R. Ravi Kumar*	1	-
9.	C. R. Kalyanasundaram*	1	-
	Total	**150,000,000**	**100.00**

* *Held as nominees of the Company*

Shareholders agreement dated December 3, 2009 ("SHA") between Oiltanking, IVRCL Infrastructures & Projects Limited ("IVRCL") and the Company

On December 3, 2009, Oiltanking, IVRCL and the Company entered into the SHA and incorporated IOT Utkal for installation, operation and maintenance of crude and finished products tankages facility at Paradip refinery of Indian

Oil located at Paradip, Orissa on BOOT basis. The SHA is effective from November 23, 2009. Under the terms of the SHA, the Company, Oiltanking and IVRCL have agreed to subscribe to 52.50%, 10% and 37.50%, respectively, of the equity share capital of IOT Utkal. Further, the Company and Oiltanking shall endeavour to identify financial investors for upto 23% shareholding and in such event the Company and IVRCL shall transfer equal proportion of their shareholding to such investor. The minimum shareholding of the Company along with Oiltanking should not fall below 51% and the minimum shareholding of IVRCL should not fall below 26% of the equity share capital of IOT Utkal. The shares held by IVRCL, Oiltanking and the Company are locked in for a period of one year from the date of commencement of operations in terms of the BOOT agreement with Indian Oil and would be non-transferrable (except transfer to affiliates as defined in the SHA or to the financial investors). On the expiry of the lock-in period, any transfer of shares to any person is subject to the right of first refusal and tag along rights available to the other shareholders under the SHA. The board of IOT Utkal shall comprise of six directors and Oiltanking, IVRCL and the Company shall nominate one, two and three directors respectively. This right is available to IVRCL and the Company along with Oiltanking until they hold 15% of the equity share capital of IOT Utkal. Additionally, in the event IOT Utkal sends a notice to Oiltanking, IVRCL and the Company to subscribe further shares or extend shareholder loans, each of them shall be obliged to do the same. If a party fails to subscribe to the new shares, the other party/ies may subscribe to such new shares.

8. IOT Canada Limited ("IOT Canada")

Corporate Information

IOT Canada was incorporated on August 11, 2008, in Alberta under the laws of Alberta, Canada. The registered office of IOT Canada is situated at 4500, 855 2nd Street, S.W., Calgary, Alberta T2P 4K7. IOT Canada is a wholly owned subsidiary of the Company primarily involved in holding the shares of Newsco Asia.

Capital Structure as of June 30, 2010

	No. of equity shares of CAD 1 each
Authorised capital	Unlimited number of common shares without par value
Issued, subscribed and paid-up capital	1,001common shares

Shareholding Pattern as of June 30, 2010

The shareholding pattern of IOT Canada is as follows:

Sr. No.	Name of the Shareholder	No. of common shares	Percentage of total holding (%)
1.	IOT Infrastructure & Energy Services Limited	1,001	100.00
	Total	**1,001**	**100.00**

9. IOT Infrastructures Private Limited ("IIPL")

Corporate Information

IIPL was incorporated on March 17, 2010, in Mumbai under the laws of India as Gensecure Technologies Private Limited. The name of IIPL was changed from Gensecure Technologies Private Limited to IOT Infrastructures Private Limited pursuant to fresh certificate of incorporation dated June 30, 2010. The registered office of IIPL is situated at 103 Spectra, Hiranandani Business Park, Powai, Mumbai 400 076. IIPL is authorised to undertake the business of storage, handling, treatment, carriage, transport, dispatch, supply, market, research, advise, consultancy, service providers, brokers and agents, engineering and civil designers, contractors, wharfingers, warehouseman, producers, dealers of oil and oil products, gas and gas products, petroleum and petroleum products, fuels, spirits, chemicals, liquids of all types and kinds and the compounds, derivatives, mixtures, preparations and products thereof. The financial accounts of IIPL have not been consolidated with the Company for the Fiscal Year 2010.

Capital Structure as of June 30, 2010

	No. of equity shares of Rs. 10 each
Authorised capital	10,000
Issued, subscribed and paid-up capital	10,000

Shareholding Pattern as of June 30, 2010

The shareholding pattern of IIPL is as follows:

Sr. No.	Name of the Shareholder	No. of equity shares	Percentage of total equity holding (%)
1.	IOT Engineering Projects Limited	9,999	100
2.	Shambhunath Jha*	1	-
	Total	**10,000**	**100.00**

* *Held as nominees of the IOT Engineering Projects Limited*

Share purchase agreement dated March 26, 2010 ("SPA") between IOT Engineering Projects Limited, Manoj Kumar, Anuradha Ramji and Gensecure Technologies Private Limited ("Gensecure")

Pursuant to the SHA, IOTEP acquired 10,000 equity shares of Gensecure, representing 100% of the issued and paid up share capital therein, from Manoj Kumar and Anuradha Ramji.

10. PT IOT Energy Services Indonesia Ltd ("PT IOT")

Corporate Information

PT IOT was incorporated on September 30, 2005, in Indonesia under the laws of Indonesia. The registered office of PT IOT is situated at Menara Prima, Fl 16, Jl Lingkar Mega Kuningan, Block 6.2, Jakarta 12950. PT IOT is primarily involved in providing oil and gas support and management services. Pursuant to a share purchase agreement dated December 31, 2009, Oiltanking transferred 7,820 shares held by it in PT IOT to the Company. The financial accounts of PT IOT have not been consolidated with the financial accounts of the Company for any of the fiscal years.

Capital Structure as of June 30, 2010

	No. of ordinary shares of USD 100 each
Authorised capital	17,000
Issued, subscribed and paid-up capital	17,000

Shareholding Pattern as of June 30, 2010

The shareholding pattern of PT IOT is as follows:

Sr. No.	Name of the Shareholder	No. of ordinary shares	Percentage of total holding (%)
1.	IOT Engineering and Construction Services Pte. Ltd., Singapore	8,330	49.00
2.	IOT Infrastructure & Energy Services Limited	7,820	46.00
3.	Achmad S. Kortohadiprodjo	850	5.00
	Total	**17,000**	**100.00**

Share purchase agreement dated December 31, 2009 ("SPA") between Oiltanking and IECSPL

Pursuant to the SPA, IECSPL acquired 8,330 equity shares of PT IOT, representing 49% of the issued and paid up share capital therein, from Oiltanking.

Share purchase agreement dated December 31, 2009 ("SPA") between Oiltanking and the Company

Pursuant to the SPA, the Company acquired 7,820 equity shares of PT IOT, representing 46% of the issued and paid up share capital therein, from Oiltanking.

11. Newsco Directional & Horizontal Drilling Services (Asia) Inc. ("Newsco Asia")

Corporate Information

Newsco Asia was incorporated on August 8, 2008 in Alberta under the laws of Alberta, Canada. The registered office of Newsco Asia is situated at #2100, 700 2nd Street S.W. Calgary, Alberta T2P 2W1. Newsco Asia is primarily involved in providing directional and horizontal drilling services.

Capital Structure as of June 30, 2010

	No. of Common shares
Authorised capital	Unlimited numbers of class "A" common shares without par value Unlimited numbers of class "B" common shares without par value
Issued, subscribed and paid-up capital	100,001 class "A" common shares fully paid up 100,000 class "B" common shares fully paid up

Shareholding Pattern as of June 30, 2010

The shareholding pattern of Newsco Asia is as follows:

Sr. No.	**Name of the Shareholder**	**No. of shares**		**Percentage of total holding (%)**
		Class A common shares	**Class B common shares**	
1.	IOT Canada Limited	50,001 class "A" common shares	100,000 class "B" common shares	75.00
2.	Newsco Directional and Horizontal Drilling Services Inc., Canada	50,000 class "A" common shares	-	25.00
	Total	**100,001 class "A" common shares fully paid up**	**100,000 class "B" common shares fully paid up**	**100.00**

Unanimous shareholder agreement dated August 15, 2008 ("SHA") between Newsco Asia, ICL and Newsco Directional and Horizontal Drilling Services Inc., Canada ("Newsco Canada") and share purchase agreement ("SPA") dated August 15, 2008 between Newsco Asia, ICL, Newsco Canada, 314022 Alberta Limited and Terry Cennon

Pursuant to the SHA and the SPA, it has been decided that Newsco Canada shall transfer its shareholding in Newsco Asia to ICL in the following tranches for the consideration agreed therein:

Sr. no.	No. of share to be transferred by Newsco Canada to ICL	Date of transfer
1.	100,000 class B common shares	August 15, 2008
2.	50,000 class A common shares	March 17, 2010
3.	50,000 class A common shares	September 14, 2011

12. IOT Anwesha Engineering & Construction LLC ("Anwesha LLC")

Corporate Information

Anwesha LLC was incorporated on March 3, 2009, in Oman under the laws of Oman. The registered office of Anwesha LLC is situated at PO Box No.1677, Postal Code 111, Sultanate of Oman. Anwesha LLC is primarily involved in engineering, procurement and construction of tanks and pipes for petroleum, petrochemical, fertilizer, chemical, water treatment plants and other industrial plants in Oman.

Capital Structure as of June 30, 2010

	No. of equity shares of RO 1 each
Authorised capital	150,000
Issued, subscribed and paid-up capital	150,000

Shareholding Pattern as of June 30, 2010

The shareholding pattern of Anwesha LLC is as follows:

Sr. No.	Name of the Shareholder	No. of equity shares	Percentage of total equity holding (%)
1.	IOT Anwesha Engineering & Construction Limited	105,000	70.00
2.	Seven Seas Co LLC	45,000	30.00
	Total	**150,000**	**100.00**

Interest of the Subsidiaries in the Company

None of the Subsidiaries hold any Equity Shares in the Company. We have entered into certain business contracts with the Subsidiaries. For details, see the section "Related Party Transactions" beginning on page 185 of this Draft Red Herring Prospectus.

Amount of accumulated profits or losses of the subsidiary(ies) not accounted for by the issuer

The financial accounts of PT IOT and IIPL have not been consolidated with the financial accounts of the Company for any of the fiscal years.

Joint Ventures

1. Zuari Indian Oiltanking Limited ("ZIOL")

Corporate Information

ZIOL was incorporated on July 14, 2000, in Goa under the laws of India pursuant to the shareholders agreement dated July 12, 2000 between Zuari Industries Limited and the Company. The registered office of ZIOL is situated at

NH-17B, Sancoale, Goa 403 726. ZIOL is primarily involved in the business of storage, handling, treatment, carriage, transport, dispatch, supply, market, research, advise etc. in relation to *inter alia* oil and oil products, gas and gas products, petroleum and petroleum products and liquids of all types and kinds. ZIOL was incorporated pursuant to the shareholders agreement dated July 12, 2000 between Zuari Industries Limited and the Company.

Capital Structure as of June 30, 2010

	No. of equity shares of Rs. 10 each
Authorised capital	24,000,000
Issued, subscribed and paid-up capital	20,040,080

Shareholding Pattern as of June 30, 2010

The shareholding pattern of ZIOL is as follows:

Sr. No.	**Name of the Shareholder**	**No. of equity shares**	**Percentage of total equity holding (%)**
1.	IOT Infrastructure & Energy Services Limited	10,020,000	50.00
2.	Zuari Industries Limited	10,020,000	50.00
3.	Jayanta Bhuyan*	10	-
4.	Jatin Mavani*	10	-
5.	Akhtar Gulab Khan*	10	-
6.	Kapil Jain*	10	-
7.	Suresh Krishnan	10	-
8.	R Y. Patil	10	-
9.	H. C. Shah	10	-
10.	L. M. Chandrasekaran	10	-
	Total	**20,040,080**	**100.00**

* *Held as nominees of the Company*

2. IndianOil Skytanking Limited ("IOSL")

Corporate Information

IOSL was incorporated on August 21, 2006, in Bangalore under the laws of India. The registered office of IOSL is situated at No. 16/11, 1st Floor, Gowda Samaj Sadana Complex, 1st 'C' Main Road, Ganganagar Extension, Bangalore 560 032. IOSL was incorporated for *inter alia* designing, financing, constructing and operating an aviation fuel facility at the Bangalore International Airport and to render independent fuelling services at other airports in India. IOSL is a joint venture between Indian Oil, Skytanking Holding GmbH and the Company incorporated pursuant to the joint venture agreement dated August 9, 2006.

Capital Structure as of June 30, 2010

	No. of equity shares of Rs. 10 each
Authorised capital	65,000,000
Issued, subscribed and paid-up capital	35,100,000

Shareholding Pattern as of June 30, 2010

The shareholding pattern of IOSL is as follows:

Sr. No.	**Name of the Shareholder**	**No. of equity shares**	**Percentage of total equity holding (%)**
1.	Indian Oil	11,699,998	33.33

2.	Raju Ranganathan[*]	1	-
3.	Kamal Gwalani[*]	1	-
4.	IOT Infrastructure & Energy Services Limited	11,699,998	33.33
5.	Jayanta Bhuyan[* *]	1	-
6.	Kapil Jain[**]	1	-
7.	Skytanking Holding GmbH	11,700,000	33.33
	Total	**35,100,000**	**100.00**

** Held as a nomineeof Indian Oil*

***Held as a nominee of the Company*

Joint venture agreement dated August 9, 2006 ("JVA") between Indian Oil, Skytanking Holding GmbH ("Skytanking") and the Company

On August 9, 2006, the JVA was entered into between Indian Oil, Skytanking and the Company for incorporating IOSL for designing, financing, construction, operation and maintenance of aviation fuel facility project at the Bangalore International Airport. This project was awarded to the consortium of Indian Oil, Skytanking and the Company. Under the JVA, Indian Oil, Skytanking and the Company or their affiliates are required to hold 33.33% of the voting equity share capital of IOSL, respectively. Under the JVA, Indian Oil is responsible *inter alia* for monitoring and inspection of the construction of the fuel hydrant system, a part of the aviation fuel facility project and the Company is responsible *inter alia* for the EPC work of the aviation fuel facility project as a contractor of IOSL. Each of the parties under the JVA will nominate one director on the board of IOSL and will continue to maintain it in the same proportion as their shareholding in IOSL. The shares held by Indian Oil, Skytanking and the Company are locked in for a period of seven years and would be non-transferrable (except transfer to affiliates as defined in the JVA) unless specifically agreed to in writing by the parties. On the expiry of the lock-in period, any transfer of shares to any person is subject to the right of first refusal available to the other shareholders under the JVA. Any change in shareholding of IOSL is subject to approval of Bangalore International Airport Limited.

3. IOT Mabagas Limited ("IML")

Corporate Information

IML was incorporated as IOT Cuddalore Construction & Terminalling Limited on December 10, 2007, in Chennai under the laws of India. The name of the IOT Cuddalore Construction & Terminalling Limited was changed to IML consequent to the shareholders decision to pursue biogas business in Chennai and a fresh certificate of incorporation was issued on March 29, 2010. The registered office of IML is situated at Brooklyn Business Centre, 3rd Floor, 103-105 Poonamalee High Road, Chennai 600 084. IML is incorporated *inter alia* for the purposes of construction, owning and operation of biogas production units in India, production of biogas and by-products or fertilisers from raw materials and waste products and trading and/or selling biogas and by-products, fertilisers, and carbon certificates.

Capital Structure as of June 30, 2010

	No. of equity shares of Rs. 10 each
Authorised capital	20,000,000
Issued, subscribed and paid-up capital	20,000,000

Shareholding Pattern as of June 30, 2010

The shareholding pattern of IML is as follows:

Sr. No.	**Name of the Shareholder**	**No. of equity shares**	**Percentage of total equity holding (%)**
1.	IOT Infrastructure & Energy Services Limited	999,994	50.00
2.	Mabagas International GmbH	1,000,000	50.00
3.	Jayanta Bhuyan[*]	1	-

4.	G.S.K. Masud*	1	-
5.	Shambhunath Jha*	1	-
6.	Jatin Mavani*	1	-
7.	S. Jagannathan*	1	-
8.	M. Aiyaswamy*	1	-
	Total	**2,000,000**	**100.00**

* *Held as nominees of the Company*

Joint Venture Agreement dated December 24, 2009 ("JVA") between Mabagas International GmbH ("Mabagas") and the Company

On December 24, 2009, the JVA was entered into between Mabagas and the Company to incorporate a joint venture company, IML to *inter alia* construct, own and operate biogas production units in India, produce biogas and by-products from raw materials and waste products, trade and/or sell biogas and by-products, convert biogas into either one or more of electric power, heat, compressed air, compressed biogas, to pre-treat and inject biogas into natural gas grids in India and to develop, own, construct and operate other renewable energy plants in India. Under the terms of the JVA, the Company and Mabagas have agreed to subscribe to 50% each of the equity share capital of IML. The Company and Mabagas shall take steps to facilitate IML to acquire the biogas production plant situated at Namakkal, Tamil Nadu. Each of the parties has the right to nominate two directors on the board of IML. In terms of the JVA, the first chairman of IML shall be elected from among the directors nominated by Mabagas and the subsequent appointments shall be on rotational basis. Additionally, in the event IML sends a notice to Mabagas and the Company to subscribe to further shares or extend shareholder loans, each of them shall be obliged to do the same. If a party fails to subscribe to the new shares, the other party may subscribe to such new shares and parties shall thereafter decide to amend the JVA consequent to such change in shareholding. Neither Party shall transfer any shares held by them, except to an affiliate (as defined in the JVA). Any transfer of shares to any third party is subject to the right of first refusal and tag along rights available to the other shareholder under the JVA.

PROMOTERS AND PROMOTER GROUP

Promoters

Indian Oil, Oiltanking and Oiltanking India are the Promoters of the Company.

1. Indian Oil Corporation Limited

Indian Oil was incorporated under the Companies Act on June 30, 1959. The registered office of Indian Oil is situated at Indian Oil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai 400 051. Indian Oil is involved in *inter alia* acquiring, manufacturing, refining, treating, supplying, selling, importing, exporting etc. of petroleum and petroleum products, oil, gas and other volatile substances and other related substances.

Board of Directors

The Board of Directors of Indian Oil as of August 31, 2010 consisted of:

1. Brij Mohan Bansal, Chairman and Director
2. Gyan Chand Daga
3. Pradeep Kumar Sinha
4. Anees Noorani
5. Gautam Barua
6. Nirmal Kumar Poddar
7. Sudhir Bhargava
8. S.V. Narasimhan
9. Basavaraj Ningappa Bankapur
10. Indira J. Parikh
11. Indu Shahani
12. Michael Bastian
13. K.K. Jha
14. R.K. Malhotra

Shareholding Pattern of Indian Oil as on June 30, 2010 is as follows:

Category of shareholder	No. of shareholders	Total number of shares	Total number of shares held in dematerialized form	Total shareholding as a % of total number of shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of total number of shares
(A) Shareholding of promoter and promoter group							
(1) Indian							
Central Government / state government(s)	1	1,916,155,710	-	78.92	78.92	-	-
Sub total	**1**	**1,916,155,710**	**-**	**78.92**	**78.92**	-	-

Category of shareholder	No. of shareholders	Total number of shares	Total number of shares held in dematerialized form	Total shareholding as a % of total number of shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of total number of shares
(2) Foreign	-	-	-	-	-	-	-
Total shareholding of promoter and promoter group (A)	**1**	**1,916,155,710**	**-**	**78.92**	**78.92**	-	-
(B) Public shareholding							
(1) Institutions							
Mutual Funds / UTI	119	43,092,227	43,083,725	1.77	1.77	-	-
Financial institutions / banks	40	1,089,280	1,076,162	0.04	0.04	-	-
Insurance companies	9	84,878,866	84,876,866	3.50	3.50	-	-
Foreign institutional investors	86	16,011,195	16,011,195	0.66	0.66	-	-
Sub Total	**254**	**145,071,568**	**145,047,948**	**5.98**	**5.98**	-	-
(2) Non-institutions							
Bodies corporate	2,347	231,388,881	231,364,153	9.53	9.53	-	-
Individuals							
Individual shareholders holding nominal share capital up to Rs. 1 lakh	192,191	67,590,902	54,536,682	2.78	2.78	-	-
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	112	3,995,948	3,968,684	0.16	0.16	-	-
Any others (specify)	**2,837**	**63,749,473**	**60,882,613**	**2.63**	**2.63**	-	-
Non Resident Indians	2,264	1,166,888	1,040,474	0.05	0.05	-	-
Trusts	40	58,485,624	58,485,624	2.41	2.41	-	-
Clearing members	530	1,356,159	1,356,159	0.06	0.06	-	-
Foreign nationals	1	356	356	-	-	-	-

Category of shareholder	No. of shareholders	Total number of shares	Total number of shares held in dematerialized form	Total shareholding as a % of total number of shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of total number of shares
Custodian	1	40,446	-	-	-	-	-
Governor of Gujarat	1	2,700,000	-	0.11	0.11	-	-
Sub total	**197,487**	**366,725,204**	**350,752,132**	**15.10**	**15.10**	-	-
Total public shareholding (B)	**197,741**	**511,796,772**	**495,800,080**	**21.08**	**21.08**	-	-
Total (A)+(B)	**197,742**	**2,427,952,482**	**495,800,080**	**100.00**	**100.00**	-	-
(C) Shares held by custodians and against which depository receipts have been issued	**-**	**-**	**-**	**-**	**-**	-	-
Total (A)+(B)+(C)	**197,742**	**2,427,952,482**	**495,800,080**	**100.00**	**100.00**	-	-

Financial Performance

The standalone audited financial results of Indian Oil for the Fiscal 2010, Fiscal 2009 and Fiscal 2008 are as follows:

(Rs. in Million except share data)

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008
Sales and Other Income	2,777,342.0	3,074,130.3	2,511,272.5
PAT	102,205.5	29,495.5	69,625.8
Equity Capital	24,279.5	12,139.7 **	11,923.7
Reserves (excluding revaluation reserves)	481,249.8	427,842.1	398,938.8
EPS (Rs.)	42.10	12.15*	29.20*
Book Value (Rs.)	208.21	181.22*	172.29*

**EPS and Book Value have been adjusted for issue of Bonus shares in the ratio of 1:1 in November 2009*
*** Includes shares kept in suspense account*

Promoter of Indian Oil

The President of India is the promoter of Indian Oil.

Other Information

Indian Oil is a listed company. Indian Oil is neither a sick company within the meaning of Sick Industrial Companies Act, 1985 nor is under the process of winding up. Indian Oil had no negative net worth as of the date of the respective last audited financial statements.

There has been no change in the management or in the persons holding controlling interest in Indian Oil since incorporation.

The Company confirms that the permanent account number, bank account number, company registration number and the address of the registrar of companies where Indian Oil is registered shall be submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus.

2. Oiltanking GmbH, Germany

Oiltanking was incorporated under the laws of Germany on December 22, 1992. The registered office of Oiltanking is situated at Admiralitaetstrasse 55, 20459 Hamburg, Germany. Oiltanking GmbH is engaged in incorporating, managing and administering companies, in Germany and abroad as well as investments in such companies, for the purposes of handling, input, storage, output, processing and upgrading of mineral oils, derivatives, other liquids, gases and other products of the energy business and related activities and operations.

Board of Directors

1. Rutger Van Thiel, Managing Director

Shareholding Pattern of Oiltanking is as follows:

S. No	Name of the Shareholder	Equity capital held (*EURO in Million*)	Percentage(%)
1.	Marquard & Bahls AG	100	100
	Total	100	100

Financial Performance

The audited financial results of Oiltanking for the years ended December 31, 2010, 2009 and 2008 are as follows:

(EURO in Million except share data)

Particulars	Year ending December 31, 2009	Year ending December 31, 2008	Year ending December 31, 2007
Revenues and other operating income	472.8	454.1	390.9
Non-operating income	Nil	11.2	Nil
PAT	111.4	120.2	67.9
Equity capital (held by Marquard & Bahls AG)	100.0	100.0	100.0
Minority interest	148.3	142.6	139.5
Reserves (excluding revaluation reserves)	554.7	468.8	402.3
EPS	N.A.	N.A.	N.A.
Book Value	N.A.	N.A.	N.A.

Promoter of Oiltanking

Marquard & Bahls AG is the promoter of Oiltanking, and has seven shareholders. Liesel Streich, née Weisser and Hellmuth Weisser are the majority shareholders of Marquard & Bahls AG, holding 37.66% and 25.06% voting rights, respectively, in Marquard & Bahls AG.

Other Information

Oiltanking is an unlisted company. Oiltanking is neither a sick company within the meaning of German limited liability company law and German commercial law nor is under the process of winding up. Oiltanking had no negative net worth as of the date of the respective last audited financial statements.

There has been no change in the management or in the persons holding controlling interest in Oiltanking since incorporation.

The Company confirms that the German tax number, bank account number, company registration number and the address of the relevant authority where Oiltanking is registered shall be submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus.

3. Oiltanking India GmbH, Germany

Oiltanking India was incorporated under the laws of Germany on November 20, 1996. The registered office of Oiltanking India is situated at Admiralitaetstrasse 55, 20459 Hamburg, Germany. Oiltanking India is engaged in incorporating, managing and administering companies, in Germany and abroad, primarily in India as well as investments in such companies, for the purposes of handling, input, storage, output, processing and upgrading of mineral oils, derivatives, other liquids, gases and other products of the energy business and related activities and operations.

Board of Directors

1. Rutger Van Thiel, Managing Director

Shareholding Pattern of Oiltanking India is as follows:

S. No.	Name of the Shareholder	Equity capital held (*EURO in Million*)	Percentage(%)
1.	Oiltanking	3	100
	Total	3	100

Financial Performance

The audited financial results of Oiltanking India for the years ended December 31, 2010, 2009 and 2008 are as follows:

(EURO in Million except share data)

Particulars	Year ending December 31, 2009	Year ending December 31, 2008	Year ending December 31, 2007
Sales and Other Income	Nil	Nil	Nil
PAT	Nil	Nil	Nil
Equity Capital	3.0	3.0	3.0
Reserves (excluding revaluation reserves)	25.0	25.0	25.2
EPS (Rs.)	N.A.	N.A.	N.A.
Book Value (Rs.)	N.A.	N.A.	N.A.

Promoter of Oiltanking India

Oiltanking GmbH is the promoter of Oiltanking India.

Other Information

Oiltanking India is an unlisted company. Oiltanking India is neither a sick company within the meaning of German limited liability company law and German commercial law nor is under the process of winding up. Oiltanking India had no negative net worth as of the date of the respective last audited financial statements.

There has been no change in the management or in the persons holding controlling interest in Oiltanking India since incorporation.

The Company confirms that the German tax number, bank account number, company registration number and the address of the relevant authority where Oiltanking India is registered shall be submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus.

Interests of Promoters and Common Pursuits

The Promoters are interested to the extent of their shareholding in the Company. For details of the Promoters' shareholding in the Company, see the section "Capital Structure" beginning on page 26 of this Draft Red Herring Prospectus.

Except as stated otherwise in this Draft Red Herring Prospectus, the Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which any of 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 the Company other than in the normal course of business. For further details, see the sections "Business" and "Financial Statements" beginning on pages 73 and 187 respectively of this Draft Red Herring Prospectus.

Further, the Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by us except as disclosed in this section and "Group Companies" beginning on page 152 of this Draft Red Herring Prospectus.

Payment of benefits to Promoters

Except as stated in "Related Party Transactions" beginning on page 185 of this Draft Red Herring Prospectus, there has been no payment of benefits to the Promoters during the two years prior to the filing of this Draft Red Herring Prospectus.

Confirmations

Further, none of the Promoters has been declared as a wilful defaulter by the RBI or any other government authority and there are no violations of securities laws (in India or overseas) committed by the Promoters in the past or are pending against them.

Companies with which the Promoters have disassociated in the last three years

None of the Promoters have disassociated with any companies in the last three years. However, Oiltanking IJmond B.V., Netherlands and Oiltanking Investments Bolivia S.A., Bolivia were dissolved in 2009. On May 1, 2008 the Government of Bolivia expropriated Oiltanking's shares (held through its 50% subsidiary Oiltanking Bolivia Investments S.A. (in liquidation)) in Compañía Logística de Hidrocarburos Boliviana S.A. as part of its programme to nationalise the oil infrastructure within Bolivia. Oiltanking has commenced international arbitration proceedings against the Bolivian government for compensation. For details, see the section "Outstanding Litigation and Material Developments" beginning on page 310 of this Draft Red Herring Prospectus.

Promoter Group

1. Corporate entities forming part of the Promoter Group

Indian companies

1. Indian Oil Corporation Limited

2. Avi-Oil India Private Limited
3. Lubrizol India Private Limited
4. IndianOil Petronas Private Limited
5. Petronet LNG Limited
6. Green Gas Limited
7. IndoCat Private Limited
8. Chennai Petroleum Corporation Limited
9. IndianOil CREDA BioFuels Limited
10. Indian Oil Technologies Limited
11. Petronet India Limited
12. Petronet VK Limited
13. Petronet CI Limited
14. Indian Oil Panipat Power Consortium Limited
15. Delhi Aviation Fuel Facility Private Limited

Foreign Companies

1. IndianOil (Mauritius) Ltd.
2. Suntera Nigeria 205 Limited
3. IOC Middle East FZE
4. Lanka IOC PLC
5. IOC Sweden AB
6. Marquard & Bahls AG, Germany
7. Oiltanking GmbH, Germany
8. Oiltanking India GmbH, Germany
9. Oil Import ApS, Kopenhagen, Denmark
10. Oiltanking Ebytem S.A., Buenos Aires, Argentina
11. Oiltanking Argentina S.A., Buenos Aires, Argentina
12. Oiltanking ARA Europe South B.V., Netherlands
13. Oiltanking Bulgaria A.D., Varna, Bulgaria
14. Oiltanking Malta Ltd., Birzebuggia, Malta
15. Oiltanking Singapore Ltd., Singapore
16. Oiltanking Terneuzen B.V., Terneuzen, Netherlands
17. Oiltanking Ghent N.V., Belgium
18. Oiltanking Copenhagen A/S, Kopenhagen, Denmark
19. Oiltanking Benelux GmbH, Hamburg, Germany
20. Oiltanking Peru S.A.C., Peru
21. Oiltanking Polska Sp.z o.o., Poland
22. Oiltanking Stolthaven Antwerp N.V., Belgium
23. Oiltanking Amsterdam B.V., Netherlands
24. Oiltanking Sonmarin Oy, Finland
25. Oiltanking Tallinn AS, Estonia
26. Oiltanking Odfjell Terminal Singapore Pte. Ltd., Singapore
27. Oiltanking Terminais Limitada, Brazil
28. Terminal do Pecém Limitada, Brazil
29. Oiltanking Holding Americas Inc., USA
30. Oiltanking Finance B.V., Netherlands
31. Oiltanking Mexico, S.de R. L. de C.V., Mexico
32. Oiltanking Daya Bay Co. Ltd., China
33. Oiltanking Hungary Tároló és Logisztikai Szolgáltató Korlátolt Felelössé´gü Társaság
34. Oiltanking Deutschland Beteiligungsgesellschaft mbH, Germany
35. Pipe Rack Holding Company Private Limited, Singapore
36. Oiltanking Odfjell GmbH, Germany
37. Star Energy Resources Ltd., Dubai
38. Weser-Tanking GmbH, Germany
39. OTTC GP LLC, USA
40. OTH GP LLC, USA

41. Oiltanking Beaumont GP LLC, USA
42. OTF GP LLC, USA
43. Oiltanking Joliet, LLC, USA
44. Oiltanking Port Neches LLC, USA
45. Oiltanking/Dupre, LLC, USA
46. Bulk Handling USA Inc., USA
47. Transportadora de Gas Zapata, S. de R.L. de C.V., Mexico
48. Oiltanking Maya, S. de R.L. de C.V., Mexico
49. Oiltanking Olmeca, S. de R.L. de C.V., Mexico
50. Daya Bay Public Pipe Rack Co., Ltd., China
51. Exir Chemical Terminal, Iran
52. Falleh Shimy Pars, Iran
53. Oiltanking Odfjell Terminals Oman B.V., Netherlands
54. Oiltanking Odfjell Terminals & Co. LLC, Oman
55. Oiltanking Peru GmbH, Germany
56. Oiltanking Andina S.A.C., Peru
57. Oiltanking Andina S.A.C. Services, Peru
58. Logistica de Quimicos del Sur S.A.C., Peru
59. Oiltanking Asia Pacific Pte. Ltd., Singapore
60. Huizhou Daya Bay Oiltanking Petrocheminal Public Jetty Co. Ltd., China
61. OTI Terminal Pte. Ltd., Singapore
62. PT OT Merak Terminal, Indonesia
63. Oiltanking Logistica Argentina S.A., Argentina
64. Oiltanking (Nanjing) Co. Ltd., China
65. Oiltanking Mediaco Marseille SAS, France
66. Oiltanking KNOC Yeosu Co. Ltd., South Korea
67. Oiltanking Colombia S.A., Colombia
68. Oiltanking Middle East, Bermudas
69. Oiltanking Calulo (Pty) Ltd., South Africa
70. Skytanking Calulo (Proprietary) Limited, South Africa
71. Oiltanking Panama S.A., Panama
72. Taboguilla Holdings Inc., British Virgin Islands
73. Terminal Industrial Taboguilla S.A., Panama
74. Inversiones Poncho S.A., Panama
75. Poliductos del Peru S.A.C., Peru
76. Morgas Pipeline S. de R.L. de C.V., Mexico
77. OTFER S. de R.L. de C.V.
78. Oil Import ApS, Denmark
79. OTF CM LLC, USA
80. PSOT LLC, USA
81. Oiltanking/Dupré St. Croix, LLC
82. Oiltanking/Dupré Corpus Christi LLC
83. PT Oiltanking Riau, Indonesia
84. Oiltanking Egypt GmbH, Germany

GROUP COMPANIES

Companies forming part of Group Companies

Unless otherwise stated none of the companies forming part of Group Companies is a sick company under the meaning of SICA and none of them are under winding up. Further, all the Group Companies, except Chennai Petroleum Corporation Limited, Lanka IOC PLC and Petronet LNG Limited are unlisted companies and they have not made any public issue of securities in the preceding three years.

The Group Companies of the Company are as follows:

Indian companies

1. Avi-Oil India Private Limited
2. Lubrizol India Private Limited
3. IndianOil Petronas Private Limited
4. Petronet LNG Limited
5. Green Gas Limited
6. IndoCat Private Limited
7. Chennai Petroleum Corporation Limited
8. IndianOil CREDA BioFuels Limited
9. Indian Oil Technologies Limited
10. Petronet India Limited
11. Petronet VK Limited
12. Petronet CI Limited
13. Indian Oil Panipat Power Consortium Limited
14. Delhi Aviation Fuel Facility Private Limited

Foreign Companies

1. Indian Oil (Mauritius) Ltd.
2. Lanka IOC PLC
3. IOC Middle East FZE
4. Suntera Nigeria 205 Ltd.
5. IOC Sweden AB
6. Oiltanking Ebytem S.A., Buenos Aires, Argentina
7. Oiltanking Argentina S.A., Buenos Aires, Argentina
8. Oiltanking ARA Europe South B.V., Netherlands
9. Oiltanking Bulgaria A.D., Varna, Bulgaria
10. Oiltanking Malta Ltd., Birzebuggia, Malta
11. Oiltanking Singapore Ltd., Singapore
12. Oiltanking Terneuzen B.V., Terneuzen, Netherlands
13. Oiltanking Ghent N.V., Belgium
14. Oiltanking Copenhagen A/S, Kopenhagen, Denmark
15. Oiltanking Benelux GmbH, Hamburg, Germany
16. Oiltanking Peru S.A.C., Peru
17. Oiltanking Polska Sp.z o.o., Poland
18. Oiltanking Stolthaven Antwerp N.V., Belgium
19. Oiltanking Amsterdam B.V., Netherlands
20. Oiltanking Sonmarin Oy, Finland
21. Oiltanking Tallinn AS, Estonia
22. Oiltanking Odfjell Terminal Singapore Pte. Ltd., Singapore
23. Oiltanking Terminais Limitada, Brazil
24. Terminal do Pecém Limitada, Brazil
25. Oiltanking Holding Americas Inc., USA
26. Oiltanking Finance B.V., Netherlands

27. Oiltanking Mexico, S.de R. L. de C.V., Mexico
28. Oiltanking Daya Bay Co. Ltd., China
29. Oiltanking Hungary Tároló és Logisztikai Szolgáltató Korlátolt Felelössé´gü Társaság
30. Oiltanking Deutschland Beteiligungsgesellschaft mbH, Germany
31. Pipe Rack Holding Company Private Limited, Singapore
32. Oiltanking Odfjell GmbH, Germany
33. Star Energy Resources Ltd., Dubai
34. Weser-Tanking GmbH, Germany
35. OTTC GP LLC, USA
36. OTH GP LLC, USA
37. Oiltanking Beaumont GP LLC, USA
38. OTF GP LLC, USA
39. Oiltanking Joliet, LLC, USA
40. Oiltanking Port Neches LLC, USA
41. Oiltanking/Dupre, LLC, USA
42. Bulk Handling USA Inc., USA
43. Transportadora de Gas Zapata, S. de R.L. de C.V., Mexico
44. Oiltanking Maya, S. de R.L. de C.V., Mexico
45. Oiltanking Olmeca, S. de R.L. de C.V., Mexico
46. Daya Bay Public Pipe Rack Co., Ltd., China
47. Exir Chemical Terminal, Iran
48. Falleh Shimy Pars, Iran
49. Oiltanking Odfjell Terminals Oman B.V., Netherlands
50. Oiltanking Odfjell Terminals & Co. LLC, Oman
51. Oiltanking Peru GmbH, Germany
52. Oiltanking Andina S.A.C., Peru
53. Oiltanking Andina S.A.C. Services, Peru
54. Logistica de Quimicos del Sur S.A.C., Peru
55. Oiltanking Asia Pacific Pte. Ltd., Singapore
56. Huizhou Daya Bay Oiltanking Petrocheminal Public Jetty Co. Ltd., China
57. OTI Terminal Pte. Ltd., Singapore
58. PT OT Merak Terminal, Indonesia
59. Oiltanking Logistica Argentina S.A., Argentina
60. Oiltanking (Nanjing) Co. Ltd., China
61. Oiltanking Mediaco Marseille SAS, France
62. Oiltanking KNOC Yeosu Co. Ltd., South Korea
63. Oiltanking Colombia S.A., Colombia
64. Oiltanking Middle East, Bermudas
65. Oiltanking Calulo (Pty) Ltd., South Africa
66. Skytanking Calulo (Proprietary) Limited, South Africa
67. Oiltanking Panama S.A., Panama
68. Taboguilla Holdings Inc., British Virgin Islands
69. Terminal Industrial Taboguilla S.A., Panama
70. Inversiones Poncho S.A., Panama
71. Poliductos del Peru S.A.C., Peru
72. Morgas Pipeline S. de R.L. de C.V., Mexico
73. OTFER S. de R.L. de C.V.
74. Oil Import ApS, Denmark
75. OTF CM LLC, USA
76. PSOT LLC, USA
77. Oiltanking/Dupré St. Croix, LLC
78. Oiltanking/Dupré Corpus Christi LLC
79. PT Oiltanking Riau, Indonesia
80. Oiltanking Egypt GmbH, Germany

Partnerships

1. IndianOil Ruchi Biofuels LLP
2. Oiltanking Deutschland GmbH & Co. KG, Hamburg, Germany
3. Weser-Tanking GmbH & Co. KG, Germany
4. Oiltanking Houston L.P., USA
5. Oiltanking Beaumont GP LP, USA
6. Oiltanking Texas City LP, USA
7. Oiltanking Freeport LP, USA
8. Texas Offshore Port System, USA

Consortium

1. Consorcio Terminales, Peru

Unless otherwise specified, all information in this section is as of the date of this Draft Red Herring Prospectus.

I. Details of top five Group Companies based on turnover

1. Chennai Petroleum Corporation Limited ("CPCL")

Corporate Information

CPCL was incorporated on March 30, 1965 under the laws of India. The registered office of CPCL is situated at Chennai. CPCL is engaged in the business of production of liquid petroleum gas, motor spirit, superior kerosene, aviation turbine fuel, high spirit diesel, naphtha and other petrochemical products

Interest of the Promoter

The Company's Promoter, Indian Oil, holds 77,265,200 equity shares of Rs. 10 each, aggregating to 51.89% of the issued and paid-up share capital of CPCL.

Financial Information

The audited financial results of CPCL for the Fiscal 2010, Fiscal 2009 and Fiscal 2008 are as follows:

(In Rs. Million, except share data)

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008
Equity Capital	1,490.05	1,490.05	1,490.05
Reserves (excluding revaluation reserves) and surplus	33,130.81	29,182.34	33,155.18
Income (including other income)	291,838.34	364,896.69	328,893.14
Profit After Tax	6,032.19	(3,972.84)	11,229.54
Earning Per Share (face value Rs. 10 each)	40.15	(26.68)	75.41
Net asset value per share	232.49	205.98	232.66

Share price information

The equity shares of CPCL are listed on the BSE and the NSE.

The monthly high and low of the market price of the equity shares of CPCL having a face value of Rs. 10 each on the BSE for the last six months is as follows:

Month	High (Rs.)	Low (Rs.)
August 2010	283.65	237.30
July 2010	270.00	248.55

Month	High (Rs.)	Low (Rs.)
June 2010	262.00	241.30
May 2010	281.80	242.55
April 2010	295.80	276.50
March 2010	299.30	235.00

Source: www.bseindia.com

The monthly high and low of the market price of the equity shares of CPCL having a face value of Rs. 10 each on the NSE for the last six months is as follows:

Month	High (Rs.)	Low (Rs.)
August 2010	283.70	237.00
July 2010	270.50	249.25
June 2010	262.40	241.20
May 2010	281.95	242.50
April 2010	296.00	271.50
March 2010	299.00	238.55

Source: www.nseindia.com

Mechanism for Redressal of Investor Grievance

All share related matters, namely, transfer, transmission, transposition, nomination, dividend, change of name, address and signature, registration of mandate and power of attorney, replacement, split, consolidation, demat and remat of shares, issue of duplicate certificates, etc. are handled by Karvy Computershare Private Limited. The board of directors of CPCL has constituted a committee which *inter alia,* approves share transfers, transmission of shares, dematerialisation requests and rematerialisation requests and other processes. The shareholder complaints are being redressed in an expeditious manner.

2. Petronet LNG Limited ("PLL")

Corporate Information

PLL was incorporated on April 2, 1998 under the laws of India. The registered office of PLL is situated at Delhi. PLL is engaged in the business of development of facilities for import and re-gasification of liquid natural gas at Dahej and Kochi.

Interest of the Promoter

The Company's Promoter, Indian Oil, holds 93,750,000 equity shares of Rs. 10 each, aggregating to 12.5% of the issued and paid-up share capital of PLL.

Financial Information

The audited financial results of PLL for the Fiscal 2010, Fiscal 2009 and Fiscal 2008 are as follows:

(In Rs. Million, except share data)

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008
Equity Capital	7,500.00	7,500.00	7,500.00
Reserves (excluding revaluation reserves) and surplus	14,848.78	12,334.35	8,685.49
Income (including other income)	106,490.88	84,287.02	65,553.14
Profit After Tax	4,044.97	5,184.44	4,746.53
Earning Per Share (face value Rs. 10 each)	5.39	6.91	6.33
Net asset value per share	29.80	26.45	21.58

Share price information

The equity shares of PLL are listed on the BSE and the NSE.

The monthly high and low of the market price of the equity shares of PLL having a face value of Rs. 10 each on the BSE for the last six months is as follows:

Month	High (Rs.)	Low (Rs.)
August 2010	115.1	92.30
July 2010	95.20	76.60
June 2010	85.75	76.80
May 2010	85.45	78.80
April 2010	87.05	75.10
March 2010	82.00	74.10

Source: www.bseindia.com

The monthly high and low of the market price of the equity shares of PLL having a face value of Rs. 10 each on the NSE for the last six months is as follows:

Month	High (Rs.)	Low (Rs.)
August 2010	114.90	92.30
July 2010	96.00	76.60
June 2010	85.80	76.80
May 2010	85.50	79.00
April 2010	87.00	72.00
March 2010	81.50	74.00

Source: www.nseindia.com

Mechanism for Redressal of Investor Grievance

All share related matters, namely, transfer, transmission, transposition, nomination, dividend, change of name, address and signature, registration of mandate and power of attorney, replacement, split, consolidation, demat and remat of shares, issue of duplicate certificates, etc. are handled by Karvy Computershare Private Limited. The board of directors of CPCL has constituted a share transfer committee which *inter alia,* approves share transfers, transmission of shares, dematerialisation requests and rematerialisation requests and other processes. The shareholder complaints are being redressed in an expeditious manner.

3. Lanka IOC PLC

Corporate Information

Lanka IOC PLC was incorporated on August 29, 2002 under the laws of Sri Lanka. The registered office of Lanka IOC PLC is situated at Colombo, Sri Lanka. Lanka IOC PLC is engaged in the business of marketing petroleum products through retail outlets and taking over and operation of terminalling facilities at Trincomalee in Sri Lanka for petroleum products.

Interest of the Promoter

The Company's Promoter, Indian Oil, holds 400,000,005 equity shares of LKR 10 each, aggregating to 75.11% of the issued and paid-up share capital of Lanka IOC PLC.

Financial Information

The audited financial results of Lanka IOC PLC for the Fiscal 2010, Fiscal 2009 and Fiscal 2008 are as follows:

(In LKR. Million, except share data)

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008
Equity Capital	7,576.57	7,576.57	7,576.57
Reserves (excluding revaluation reserves) and surplus	758.12	1,180.82	2,418.58
Income (including other income)	50,214.05	47,617.19	44,172.87
Profit After Tax	(422.70)	(1,237.75)	2,340.40
Earning Per Share (LKR)	(0.79)	(2.32)	4.40
Net asset value per share (LKR)	15.65	16.45	18.77

Share Price Information

The equity shares of Lanka IOC PLC are listed on the Colombo Stock Exchange.

The monthly high and low of the market price of the equity shares of Lanka IOC PLC having a face value of LKR. 10 each on the Colombo Stock Exchange for the last six months is as follows:

Month	High (LKR.)	Low (LKR.)
August 2010	21.30	18.40
July 2010	21.50	19.75
June 2010	19.50	24.00
May 2010	17.00	21.75
April 2010	17.00	19.25
March 2010	17.25	19.50

Source: www.cse.lk/

Mechanism for Redressal of Investor Grievance

All share related matters, namely, transfer, transmission, transposition, nomination, dividend, change of name, address and signature, registration of mandate and power of attorney, replacement, split, consolidation, demat and remat of shares, issue of duplicate certificates, etc. are handled by SSP Corporate Services (Private) Limited. The Company maintains excellent relationship with its investors. Through its registrars, Lanka IOC PLC strives to address the grievance of its shareholders on priority.

4. Indian Oil Mauritius Limited

Corporate Information

Indian Oil Mauritius Limited was incorporated on October 24, 2001 under the laws of Mauritius. The registered office of Indian Oil Mauritius Limited is situated at Port Luis, Mauritius. Indian Oil Mauritius Limited is engaged in the business of providing terminalling facilities, marketing aviation fuel and marketing petroleum products through retail outlets in Mauritius.

Interest of the Promoter

The Company's Promoter, Indian Oil, holds 4,882,043 equity shares of MUR 100 each, aggregating to 100% of the issued and paid-up share capital of Indian Oil Mauritius Limited.

Financial Information

The audited financial results of Indian Oil Mauritius Limited for the Fiscal 2010, Fiscal 2009 and Fiscal 2008 are as follows:

(In MUR. Million, except share data)

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008
Equity Capital	488.20	488.20	488.20

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008
Reserves (excluding revaluation reserves) and surplus	415.44	310.69	181.50
Income (including other income)	4,688.66	5,051.03	3,975.73
Profit After Tax	124.27	129.19	105.52
Earning Per Share (MUR)	25.45	26.46	21.61
Net asset value per share (MUR)	185.09	163.64	137.18

5. Oiltanking Holding Americas Inc., USA ("OHAIU")

Corporate Information

OHAIU was incorporated on January 30, 2001 under the laws of state of Delaware. The registered office of OHAIU is situated at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, USA. OHAIU was incorporated for the purpose of making strategic investments.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 10,000,000 shares of USD 1 each aggregating to 100% of the issued and paid-up share capital of OHAIU.

Financial Information

The audited financial results of OHAIU for the years ended December 31, 2010, 2009 and 2008 are as follows:

(In USD Million, except share data)

Particulars	Year ending December 31, 2009	Year ending December 31, 2008	Year ending December 31, 2007
Equity Capital	10.00	10.00	10.00
Reserves (excluding revaluation reserves) and surplus	138.84	109.39	93.85
Income (including other income)	144.25	107.87	91.77
Profit After Tax	38.77	15.61	16.60
Earning Per Share (USD)	3.88	1.56	1.66
Net asset value per share (USD)	14.88	11.94	10.39

II. Details of Group Companies with negative networth, under loss in the Fiscal 2010 or under winding up

The Group Companies with negative net worth, under loss in the Fiscal 2010 or are under winding up are as follows:

1. Indian Oil Technologies Limited ("IOTL")

Corporate Information

IOTL was incorporated on June 20, 2003 under the laws of India. The registered office of IOTL is situated at New Delhi. IOTL is engaged in the business of commercialising and marketing research and development technologies. IOTL is under winding up process since January 12, 2010.

Interest of the Promoter

The Company's Promoter, Indian Oil, holds 550,000 equity shares of Rs. 10 each, aggregating to 100% of the issued and paid-up share capital of IOTL.

Financial Information

The audited financial results of IOTL for nine months eleven days ended January 11, 2010, Fiscal 2009 and Fiscal 2008 are as follows:

(In Rs. Million, except share data)

Particulars	Fiscal 2010 (Till January 11, 2010)	Fiscal 2009	Fiscal 2008
Equity Capital	5.50	5.50	5.50
Reserves (excluding revaluation reserves) and surplus	31.83	30.04	19.72
Income (including other income)	2.79	19.43	19.10
Profit After Tax	1.79	10.32	9.66
Earning Per Share (face value Rs. 10 each)	3.27	18.73	17.64
Net asset value per share	67.82	64.55	45.82

2. Petronet CI Limited

Corporate Information

Petronet CI Limited was incorporated on March 7, 2000 under the laws of India. The registered office of Petronet CI Limited is situated at Gujarat. Petronet CI Limited was engaged in the business of implementation of 'Central India Pipeline Project' for the transportation of liquid petroleum products from western India (Gujarat) to the main consumption centre in central India. Petronet CI Limited is under voluntary winding up pursuant to the special resolution passed by the shareholders on December 14, 2006.

Interest of the Promoter

The Company's Promoter, Indian Oil, holds 3,744,000 equity shares of Rs. 10 each, aggregating to 26% of the issued and paid-up share capital of Petronet CI Limited.

Financial Information

Since all the promoters of Petronet CI Limited have expressed unwillingness to participate in the continuation of the project, Petronet CI Limited is under voluntary winding up, and financial data after September 30, 2006 is not available.

3. Petronet India Limited ("PIL")

Corporate Information

PIL was incorporated on May 26, 1997 under the laws of India. The registered office of PIL is situated at Mumbai. PIL is engaged in the business of operating pipelines on a common carrier basis and bringing the advantages of common infrastructure. The shareholders of PIL has pursuant to the meeting dated March 12, 2004 had unanimously agreed to discontinue the operations of PIL and are presently considering the options for realisation of investments subject to approval from Ministry of Petroleum and Natural Gas.

Interest of the Promoter

The Company's Promoter, Indian Oil, holds 18,000,000 equity shares of Rs.10 each, aggregating to 18% of the issued and paid-up share capital of PIL.

Financial Information

PIL has incurred losses in the Fiscal 2010. The audited financial results of PIL for the Fiscal 2010, Fiscal 2009, Fiscal 2008 and Fiscal 2007 are as follows:

(In Rs. Million, except share data)

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity Capital	1,000.00	1,000.00	1,000.00	1,000.00
Reserves (excluding revaluation reserves) and surplus	(389.73)	(380.19)	(109.56)	(102.14)
Income (including other income)	0.43	0.62	0.96	4.05
Profit After Tax	(9.54)	(270.63)	(7.42)	(129.64)
Earning Per Share (face value Rs. 10 each)	(0.10)	(2.71)	(0.07)	(1.30)
Net asset value per share	6.10	6.20	8.90	8.98

4. Petronet V.K. Limited ("PVKL")

Corporate Information

PVKL was incorporated on May 21, 1998 under the laws of India. The registered office of PVKL is situated at Jamnagar, Gujarat. PVKL is engaged in the business of transportation of petroleum products via pipelines from the refineries of Reliance Industries and Essar at Sikka and Vadinar, respectively. Due to conversion of Kandla-Bhatinda pipeline from product to crude oil services by Indian Oil, the operations of this pipeline were suspended with effect from May 4, 2006. The divestment shall undertake subject to government approval.

Interest of the Promoter

The Company's Promoter, Indian Oil, holds 25,999,970 equity shares of Rs. 10 each, aggregating to 26% of the issued and paid-up share capital of PVKL.

Financial Information

The audited financial results of PVKL for the Fiscal 2010, Fiscal 2009 and Fiscal 2008 are as follows:

(In Rs. Million, except share data)

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008
Equity Capital	1,000.00	1,000.00	1,000.00
Reserves (excluding revaluation reserves) and surplus	(2,124.79)	(1,874.79)	(1,623.61)
Income (including other income)	Nil	Nil	Nil
Profit After Tax	(250.00)	(251.18)	(280.59)
Earning Per Share (face value Rs. 10 each)	(2.50)	(2.51)	(2.81)
Net asset value per share	Nil	Nil	Nil

5. Indian Oil Panipat Power Consortium Limited ("IPPCL")

Corporate Information

IPPCL was incorporated on October 6, 1999 under the laws of India. The registered office of IPPCL is situated at New Delhi. IPPCL was incorporated for the purpose of power generation by utilizing pet coke from Panipat refinery of Indian Oil. Due to financial inviability of the project, the promoters of IPPCL are considering the options of discontinuing with the operations of IPPCL.

Interest of the Promoter

The Company's Promoter, Indian Oil, holds 840,000 equity shares of Rs. 10 each, aggregating to 50% of the issued and paid-up share capital of IPPCL.

Financial Information

IPPCL has incurred losses in the Fiscal 2010. The audited financial results of IPPCL for the Fiscal 2010, Fiscal 2009, Fiscal 2008 and Fiscal 2007 are as follows:

(In Rs. Million, except share data)

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity Capital	16.80	16.80	16.80	16.80
Reserves (excluding revaluation reserves) and surplus	(3.81)	(3.66)	(3.81)	(16.18)
Income (including other income)	Nil	Nil	Nil	13.71
Profit After Tax	(0.15)	0.15	0.62	8.12
Earning Per Share (face value Rs. 10 each)	(0.06)	0.06	0.36	4.83
Net asset value per share	7.74	7.80	7.74	0.37

6. Terminal do Pecém Limitada, Brazil ("TDPL")

Corporate Information

TDPL was incorporated on May 11, 2001 under the laws of Brazil. The registered office of TDPL is situated at Avenida Portuária, Complexo Industrial Portuário de Pecém, Caucaia, State of Ceará, Brazil. TDPL was incorporated for a potential joint venture with a Brazilian oil company. The joint venture did not succeed and therefore, TDPL is under liquidation since December 29, 2008.

Interest of the Promoter

Oiltanking's subsidiary OTLB holds 2,750 shares of BRL 1each aggregating to 55% of the issued and paid-up share capital of TDPL.

Financial Information

TDPL was incorporated for the purpose of executing a project in terms of an agreement executed between Oiltanking and a Brazilian oil company in April 2001. Oiltanking invested BRL 5.500 and the Brazilian oil company invested BRL 4.500 in TDPL. As the project did not materealise, TDPL has not prepared any financial statements.

III. **Details of other Group Companies**

Indian companies

1. IndianOil Petronas Private Limited ("IPPL")

Corporate Information

IPPL was incorporated on December 3, 1998 under the laws of India. The registered office of IPPL is situated at New Delhi. IPPL is engaged the business of terminalling of LPG for oil public sector units, parallel marketing of LPG and provides consultancy on various LPG engineering and operations related issues.

Interest of the Promoter

The Company's Promoter, Indian Oil, holds 134,000,000 equity shares of Rs. 10 each, aggregating to 50% of the issued and paid-up share capital of IPPL. The issued and paid up capital of IPPL has increased to Rs. 2,680 Million on June 30, 2010.

2. Avi-Oil India Private Limited ("AOIPL ")

Corporate Information

AOIPL was incorporated on November 4, 1993 under the laws of India. The registered office of AOIPL is situated at New Delhi. AOIPL is engaged in the business of indigenous production/supply of aviation and allied lubricants to the defense services, civil aviation and the industrial sector.

Interest of the Promoter

The Company's Promoter, Indian Oil, holds 4,500,000 equity shares of Rs. 10 each, aggregating to 25% of the issued and paid-up share capital of AOIPL.

3. Lubrizol India Private Limited ("LIPL")

Corporate Information

LIPL was incorporated on July 20, 1966 under the laws of India. The registered office of LIPL is situated at Mumbai. LIPL is engaged in the business of developing, manufacturing and marketing additive systems for automotive and industrial lubricants and for the treatment fuels.

Interest of the Promoter

The Company's Promoter, Indian Oil, holds 960,000 equity shares of Rs. 100 each, aggregating to 50% of the issued and paid-up share capital of LIPL.

4. Green Gas Limited ("GGL")

Corporate Information

GGL was incorporated on October 07, 2005 under the laws of India. The registered office of GGL is situated at Lucknow, Uttar Pradesh. GGL is engaged in the business of city gas distribution in Lucknow and Agra.

Interest of the Promoter

The Company's Promoter, Indian Oil, holds 12,500 equity shares of Rs. 10 each, aggregating to 25% of the issued and paid-up share capital of GGL.

5. IndoCat Private Limited ("ICPL")

Corporate Information

ICPL was incorporated on June 1, 2006 under the laws of India. The registered office of ICPL is situated at Gujarat. ICPL is engaged in the business of manufacturing and marketing of fluid-cracking catalysts and additives.

Interest of the Promoter

The Company's Promoter, Indian Oil, holds 5,176,100 equity shares of Rs.10 each, aggregating to 50% of the issued and paid-up share capital of ICPL.

6. IndianOil CREDA BioFuels Limited ("IOCBL")

Corporate Information

IOCBL was incorporated on February 6, 2009 under the laws of India. The registered office of IOCBL is situated at Chhattisgarh. IOCBL is engaged in the business of farming, cultivating, manufacturing, production and selling biomass, bio-fuels and allied products and services in Chhattisgarh.

Interest of the Promoter

The Company's Promoter, Indian Oil, holds 739,997 equity shares of Rs. 10 each, aggregating to 74% of the issued and paid-up share capital of IOCBL.

7. Delhi Aviation Fuel Facility Private Limited ("DAFFPL")

DAFFPL was incorporated on March 31, 2010 under the laws of India. The registered office of DAFFPL is situated at New Delhi. DAFFPL has been incorporated to design, finance, construct, operate, manage, maintain and transfer aviation fuel facility at Delhi Airport.

Interest of the Promoter

The Company's Promoter, Indian Oil, holds 60,680,000 equity shares of Rs. 10 each, aggregating to 37% of the issued and paid-up share capital of DAFFPL.

Foreign Companies

1. IOC Middle East FZE ("IMEF")

Corporate Information

IMEF was incorporated on April 19, 2006 under the laws of Dubai. The registered office of IMEF is situated at Dubai. IMEF is engaged in the business of trading in crude oil, lubricants and grease, refined oil products, fuel, tar and asphalt and petrochemicals.

Interest of the Promoter

The Company's Promoter, Indian Oil, holds two equity shares of Rs. AED 1 Million each, aggregating to 100% of the issued and paid-up share capital of IMEF.

2. Suntera Nigeria 205 Limited ("SNL")

Corporate Information

SNL was incorporated on May 9, 2006 under the laws of Nigeria. The registered office of SNL is situated at Nigeria. SNL is engaged in the business of investments in oil and gas industry especially in the upstream sector in Nigeria.

Interest of the Promoter

The Company's Promoter, Indian Oil, holds 62,502 equity shares of Nigerian Rs. 1 each, aggregating to 25% of the issued and paid-up share capital of SNL.

3. IOC Sweden AB ("ISAB")

Corporate Information

ISAB was incorporated on February 26, 2010 under the laws of Sweden. The registered office of ISAB is situated at Sweden. ISAB is engaged in the business of incorporating or participating in finance companies or businesses.

Interest of the Promoter

The Company's Promoter, Indian Oil, holds 1,000 equity shares of SEK 100 each, aggregating to 100% of the issued and paid-up share capital of ISAB.

4. Oiltanking Argentina S.A., Buenos Aires, Argentina ("OASA")

Corporate Information

OASA was incorporated as a stock corporation on January 6, 1994 under the laws of Argentina. The registered office of OASA is situated at Marcelo T. de Alvear 624, 1st floor, C1058 AAH, Buenos Aires, Argentina. OASA is incorporated for the purpose of making strategic investments.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 8,009,545 shares of ARS 1 each, aggregating to 95% of the issued and paid-up share capital of OASA.

5. Oiltanking Ebytem S.A., Buenos Aires, Argentina ("OESA")

Corporate Information

OESA was incorporated on February 1, 1993 under the laws of Argentina. The registered office of OESA is situated at Alicia Moreau de Justo No. 4000, Off. 403, Buenos Aires, Argentina. OESA is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

Oiltanking's subsidiary Oiltanking Argentina S.A. holds 819,391 Class "A" shares of ARS 10 each, aggregating to 70% of the issued and paid-up share capital of OESA.

6. Oiltanking ARA Europe South B.V. ("OT ARA")

OT ARA was incorporated as a limited liability company on April 29, 2010 under the laws of Netherlands. The registered office of OT ARA is situated at Orlyplein 85, Busitel 1, 1043 DS Amsterdam, Netherlands. OT ARA is incorporated for the purpose of making strategic investments.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 18,000 shares of EURO 1 each, aggregating to 100% of the issued and paid-up share capital of OT ARA.

7. Oiltanking Bulgaria A.D., Varna, Bulgaria ("OBAD")

Corporate Information

OBAD was incorporated as a joint stock company on July 5, 1999 under the laws of Bulgaria. The registered office of OBAD is situated at Port Varna West, Industrial Zone - 9160 Devnya. OBAD is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 4,958 shares of BGN 350, each aggregating to 91% of the issued and paid-up share capital of OBAD.

8. Oiltanking Malta Ltd., Birzebuggia, Malta ("OML")

Corporate Information

OML was incorporated on September 22, 1989 under the laws of Malta. The registered office of OML is situated at Port of Marsaxlokk, Kalafrana, Birzebuggia, BBG 07, Malta. OML is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 825,000 ordinary "A" shares of LM 1 each, aggregating to 55% of the ordinary "A" share capital of OML.

9. Oiltanking Singapore Ltd., Singapore ("OSL")

Corporate Information

OSL was incorporated on November 14, 1998 under the laws of Singapore. The registered office of OSL is situated at One Marina Boulevard #28-00, Singapore 018 989. OSL is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 7,920,000 shares of SGD 1 each, aggregating to 55% of the issued and paid-up share capital of OSL.

10. Oiltanking Terneuzen B.V., Terneuzen, Netherlands ("OTBV")

Corporate Information

OTBV was incorporated on November 7, 2002 under the laws of Netherlands. The registered office of OTBV is situated at Elementenweg 1, Havennummer 95, 4542 SM Hoek-Terneuzen, The Netherlands. OTBV is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 70,001 shares of EURO 100 each, aggregating to 100% of the issued and paid-up share capital of OTBV.

11. Oiltanking Ghent N.V., Belgium ("OGNV")

Corporate Information

OGNV was incorporated on March 28, 1968 under the laws of Belgium. The registered office of OGNV is situated at Moervaartkaai 12, 9042 Ghent, Belgium. OGNV is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 693,999 shares of EURO 1,009 each, aggregating to 99% of the issued and paid-up share capital of OGNV.

12. Oiltanking Copenhagen A/S, Copenhagen, Denmark ("OCA")

Corporate Information

OCA was incorporated on October 21, 1960 under the laws of Denmark. The registered office of OCA is situated at Provestenen 2300, Copenhagen S, Denmark. OCA is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 1,052 shares of DKK 1,000 each (372 shares are of for DKK 10,000 each), aggregating to100% of the issued and paid-up share capital of OCA.

13. Oiltanking Benelux GmbH, Hamburg, Germany ("OBG")

Corporate Information

OBG was incorporated on December 23, 1975 under the laws of Germany. The registered office of OBG is situated at Admiralitaetstrasse 55, 20459 Hamburg, Germany. OBG is incorporated for the purpose of making strategic investments.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds two shares of EURO 25,564 and EURO 4,435 respectively, aggregating to 100% of the issued and paid-up share capital of OBG.

14. Oiltanking Peru S.A.C., Peru ("OPSAC")

Corporate Information

OPSAC was incorporated on December 1, 1997 under the laws of Peru. The registered office of OPSAC is situated at Paseo de la Republica 4675, Primer Piso, Lima 34, Peru. OPSAC is incorporated for the purpose of making strategic investments.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 39,484,066 shares of PEN 1 each aggregating to 99% of the issued and paid-up share capital of OPSAC.

15. Oiltanking Polska Sp.z.o.o. i. L., Poland ("OPSO")

Corporate Information

OPSO was incorporated on October 29, 1997 under the laws of Poland. The registered office of OPSO is situated at Regus Metropolitan - Pl. Pilsudskiego 300-078 Warsaw, Poland. OPSO is incorporated for the purpose of making strategic investments.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 20,078 shares of PLN 50 each aggregating to 97.5% of the issued and paid-up share capital of OPSO.

16. Oiltanking Stolthaven Antwerp N.V., Belgium ("OSANV")

Corporate Information

OSANV was incorporated on January 24, 1969 under the laws of Belgium. The registered office of OSANV is situated at Scheldelaan 450, Haven 623 2040 Antwerp-Lillo, Belgium. OSANV is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 20,031 shares of EURO 1 each aggregating to 50% of the issued and paid-up share capital of OSANV.

17. Oiltanking Amsterdam B.V., Netherlands ("OABVN")

Corporate Information

OABVN was incorporated on November 26, 1965 under the laws of Netherlands. The registered office of OABVN is situated at Heining 100, Amerikahaven, N-1047 Amsterdam, Netherlands. OABVN is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 11,000 shares of EURO 294 each aggregating to 55% of the issued and paid-up share capital of OABVN.

18. Oiltanking Sonmarin Oy, Finland ("OSOF")

Corporate Information

OSOF was incorporated on November 18, 1994 under the laws of Finland. The registered office of OSOF is situated at Port of Mussalo, Mussalon nestesatama, 48310 Kotka, Finland, OSOF is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 6,000 shares of EURO 1 each aggregating to 100% of the issued and paid-up share capital of OSOF.

19. Oiltanking Tallinn AS, Estonia ("OTASE")

Corporate Information

OTASE was incorporated on December 9, 1996 under the laws of Estonia. The registered office of OTASE is situated at Õli 7, Viimsi rural municipality, Harju County, Estonia. OTASE is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds shares numbered 1 to 15,200 and 19,001 to 26,020 of EEK 1,000 each aggregating to 80% of the issued and paid-up share capital of OTASE.

20. Oiltanking Odfjell Terminal Singapore Pte. Ltd., Singapore ("OOTSPL")

Corporate Information

OOTSPL was incorporated on December 16, 1999 under the laws of Singapore. The registered office of OOTSPL is situated at One Marina Boulevard #28-00, Singapore 018989, OOTSPL is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 402,500 shares of SGD each aggregating to 50% of the issued and paid-up share capital of OOTSPL.

21. Oiltanking Terminais Limitada, Brazil ("OTLB")

Corporate Information

OTLB was incorporated on April 20, 2001 under the laws of Brazil. The registered office of OTLB is situated at Avenida Marechal Floriano 19, 12th floor, Sala 1201 – Parte, Centro, CEP 20080-003, Rio de Janeiro, Brazil. OTLB is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 44.587.280 shares of BRL 1 each aggregating to 90% of the issued and paid-up share capital of OTLB.

22. Oiltanking Finance B.V., Netherlands ("OFBVN")

Corporate Information

OFBVN was incorporated on September 9, 2008 under the laws of Netherlands. The registered office of OFBVN is situated at Orlyplein 85, Busitel 1, 1043 DS Amsterdam, Netherlands. OFBVN is engaged in the business of financing i.e. organizing and providing loans to Oiltanking's subsidiaries.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 10,000,000 shares of EURO 1 each aggregating to 100% of the issued and paid-up share capital of OFBVN.

23. Oiltanking Mexico, S.de R. L. de C.V., Mexico ("OMSC")

Corporate Information

OMSC was incorporated on September 6, 2002 under the laws of Mexico. The registered office of OMSC is situated at Av. San Jeronimo no.369, Torre I, Piso 2-C, Tizapan, Alvaro Obregon 01090, Mexico. OMSC was incorporated for the purpose of making strategic investments.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 99.97% of the fixed subclass I shares and 100% of the variable subclass II shares in OMSC. The issued and paid-up share capital of OMSC is MXN 32,038,000.

24. Oiltanking Daya Bay Co. Ltd., China ("ODBCLC")

Corporate Information

ODBCLS was incorporated on February 19, 2003 under the laws of China. The registered office of ODBCLS is situated at Daya Bay Economic and Technological Development Zone, Huizhou City, Guangdong, China. ODBCLS is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 100% of the issued and paid-up share capital of ODBCLS aggregating to USD 3,300,000.

25. Oiltanking Hungary Tároló és Logisztikai Szolgáltató Korlátolt Felelössé´gü Társaság ("Oiltanking, Hungary")

Corporate Information

Oiltanking, Hungary was incorporated on November 28, 2002 under the laws of Hungary. The registered office of Oiltanking, Hungary is situated at Gáz u. 1, 1211 Budapest, Hungary. Oiltanking, Hungary is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 100% of the issued and paid-up share capital of Oiltanking, Hungary aggregating to HUF 158,290,000.

26. Oiltanking Deutschland Beteiligungsgesellschaft mbH, Germany ("ODMBH")

Corporate Information

ODMBH was incorporated on November 4, 2002 under the laws of Germany. The registered office of ODMBH is situated at Admiralitaetstrasse 55, 20459 Hamburg, Germany. ODMBH was incorporated for the purpose of making strategic investments.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds one share of EURO 25,000 aggregating to 100% of the issued and paid-up share capital of ODMBH.

27. Pipe Rack Holding Company Private Limited, Singapore ("PRHCPL")

Corporate Information

PRHCPL was incorporated on June 9, 2004 under the laws of Singapore. The registered office of PRHCPL is situated atOne Marina Boulevard #28-00, Singapore 018989. PRHCPL was incorporated for the purpose of making strategic investments.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 5,900,000 shares of SGD 1 each aggregating to 80.8% of the issued and paid-up share capital of PRHCPL.

28. Oiltanking Odfjell GmbH, Germany ("Oiltanking Odfjell GmbH")

Corporate Information

Oiltanking Odfjell GmbH was incorporated on May 7, 2004 under the laws of Germany. The registered office of Oiltanking Odfjell GmbH is situated at Admiralitaetstrasse 55, 20459 Hamburg. Oiltanking Odfjell GmbH was incorporated for the purpose of making strategic investments.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds three shares of EURO 12,500, Euro 22,500 and EURO 465,700, respectively, aggregating to 50.07% of the issued and paid-up share capital of Oiltanking Odfjell GmbH.

29. Star Energy Resources Ltd., Dubai ("Star, Dubai")

Corporate Information

Star, Dubai was incorporated on April 12, 1985 as Cato Holdings Ltd. Star under the laws of Dubai and the name was changed to Star Energy Resources Ltd. on October 9, 1986. The registered office of Star, Dubai is situated atClarendon House, 2 Church Street, Hamilton HM 11, Bermuda. Star, Dubai is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 1,750,000 shares of USD 1 each aggregating to 50% of the issued and paid-up share capital of Star, Dubai.

30. Weser-Tanking GmbH, Germany ("Weser-Tanking")

Corporate Information

Weser-Tanking was incorporated on December 5, 1994 under the laws of Germany. The registered office of Weser-Tanking is situated at Cuxhavener Strasse 42/44, 28217 Bremen, Germany. Weser-Tanking was incorporated for the purpose of making strategic investments.

Interest of the Promoter

Oiltanking Deutschland GmbH & Co. KG, Hamburg, Germany, wherein Oiltanking is a partner, holds 1 share of EURO 12,800 aggregating to 50% of the issued and paid-up share capital of Weser-Tanking.

31. OTTC GP LLC, USA ("OTTC GP")

Corporate Information

OTTC GP was incorporated on November 21, 2003 under the laws of Texas. The registered office of OTTC GP is situated at 1401 McKinney, Suite 1700, Houston, Texas 77010, USA. OTTC GP was incorporated for the purpose of making strategic investments.

Interest of the Promoter

Oiltanking's subsidiary, OHAIU, holds 100% interest in OTTC GP.

32. OTH GP LLC, USA ("OTH GP")

Corporate Information

OTH GP was incorporated on February 28, 2001 under the laws of Texas. The registered office of OTH GP is situated at 1401 McKinney, Suite 1700, Houston, Texas 77010, USA. OTH GP was incorporated for the purpose of making strategic investments.

Interest of the Promoter

Oiltanking's subsidiary, OHAIU, holds 100% interest in OTH GP.

33. Oiltanking Beaumont GP LLC, USA (“Oiltanking Beaumont GP”)

Corporate Information

Oiltanking Beaumont GP was incorporated on March 17, 1998 under the laws of Delaware. The registered office of Oiltanking Beaumont GP is situated at Prentice-Hall Corporation System, Inc., 1013 Centre Road Wilmington, Delaware 19805, USA. Oiltanking Beaumont GP was incorporated for the purpose of making strategic investments.

Interest of the Promoter

Oiltanking’s subsidiary, OHAIU, holds 100% interest in Oiltanking Beaumont GP.

34. OTF GP LLC, USA (“OTF GP”)

Corporate Information

OTF GP was incorporated on February 17, 2008 under the laws of Texas. The registered office of OTF GP is situated at 1401 McKinney, Suite 1700, Houston, Texas 77010, USA. OTF GP was incorporated for the purpose of making strategic investments.

Interest of the Promoter

Oiltanking’s subsidiary, OHAIU, holds 100% capital of OTF GP aggregating to USD 100.

35. Oiltanking Joliet, LLC, USA (“Oiltanking Joliet”)

Corporate Information

Oiltanking Joliet was incorporated on November 19, 2009 under the laws of Delaware. The registered office of Oiltanking Joliet is situated at CT Corporation System, 298 South LaSalle Street, Suite 814, Chicago, Cook, Illinois 60604, USA. Oiltanking Joliet is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

Oiltanking’s subsidiary, OHAIU, holds 100% capital of OTF GP aggregating to USD 1,000.

36. Oiltanking Port Neches LLC, USA (“Oiltanking Port”)

Corporate Information

Oiltanking Port was incorporated on June 23, 2010 under the laws of Texas. The registered office of Oiltanking Port is situated at 1401 McKinney, Suite 1700, Houston, Texas 77010, USA. Oiltanking Port is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

Oiltanking’s subsidiary, OHAIU, holds 100% interest in Oiltanking Port.

37. Oiltanking/Dupre, LLC, USA (“Oiltanking/Dupre”)

Corporate Information

Oiltanking/Dupre was incorporated on June 28, 2010 under the laws of Texas. The registered office of Oiltanking/Dupre is situated at 1401 McKinney, Suite 1700, Houston, Texas 77010, USA. Oiltanking/Dupre was incorporated for the purpose of making strategic investments.

Interest of the Promoter

OHAIU's subsidiary, Bulk Handling USA Inc., holds 50% interest in Oiltanking/Dupre.

38. Bulk Handling USA Inc., USA ("Bulk Handling")

Corporate Information

Bulk Handling was incorporated on June 16, 2010 under the laws of Delaware. The registered office of Bulk Handling is situated at Corporation Trust Center, 1209 Orange St., Wilmington, Delaware 19801, Bulk Handling was incorporated for the purpose of making strategic investments.

Interest of the Promoter

Oiltanking's subsidiary, OHAIU, holds 100% of the issued and paid-up share capital of Oiltanking Port aggregating to USD 1.000.

39. Transportadora de Gas Zapata, S. de R.L. de C.V., Mexico ("Transportadora")

Corporate Information

Transportadora was incorporated on April 9, 1997 under the laws of Mexico. The registered office of Transportadora is situated at Pedro Luis Ogazon 59, Guadalupe Inn, 01020 Mexico City, Mexico. Transportadora has been set up to provide independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

Oiltanking's subsidiary, OMSC, holds shares worth MXN 44,260,766 representing 51% of the issued and paid-up share capital of Transportadora.

40. Oiltanking Maya, S. de R.L. de C.V., Mexico ("Oiltanking Maya")

Corporate Information

Oiltanking Maya was incorporated on September 6, 2007 under the laws of Mexico. The registered office of Oiltanking Maya is situated at Pedro Luis Ogazon 59, Guadalupe Inn, 01020 Mexico City, Mexico. Oiltanking Maya has been set up to provide independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

Oiltanking's subsidiary, OMSC, holds shares worth MXN 2,584,985 representing 51% of the issued and paid-up share capital of Oiltanking Maya.

41. Oiltanking Olmeca, S. de R.L. de C.V., Mexico ("Oiltanking Olmeca")

Corporate Information

Oiltanking Olmeca was incorporated on January 19, 2007 under the laws of Mexico. The registered office of Oiltanking Olmeca is situated at Pedro Luis Ogazon 59, Guadalupe Inn, 01020 Mexico City, Mexico.

Oiltanking Olmeca is has been set up to provide independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds shares worth MXN 5,044,492 representing 51% of the issued and paid-up share capital of Oiltanking Olmeca.

42. Daya Bay Public Pipe Rack Co., Ltd., China ("Daya Bay")

Corporate Information

Daya Bay was incorporated on October 10, 2004 under the laws of China. The registered office of Daya Bay is situated at Daya Bay Petrochemical Industrial Park, Huizhou, Guangdong Province, China. Daya Bay is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

Oiltanking's subsidiary, PRHCPL, holds 100% shares of the issued and paid-up share capital of Daya Bay aggregating to USD 2,000,000.

43. Exir Chemical Terminal, Iran ("Exir Iran")

Corporate Information

Exir Iran was incorporated on June 29, 2002 under the laws of Iran. The registered office of Exir Iran is situated at No. 4 Floor 9, Building No. 47 West Farzan Street, Africa Ave, 16346 Tehran, Iran. Exir Iran is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

Oiltanking's subsidiary, Oiltanking Odfjell GmbH, holds 7,063,760 shares of IRR 10,000 each aggregating to 69.8% of the issued and paid-up share capital of Exir Iran.

44. Falleh Shimy Pars, Iran ("Falleh Iran")

Corporate Information

Falleh Iran was incorporated on October 31, 2008 under the laws of Iran. The registered office of Falleh Iran is situated at No. 4 Floor 9, Building No. 47 West Farzan Street, Africa Ave, 16346 Tehran, Iran. Falleh Iran was incorporated for the purposes of strategic investments.

Interest of the Promoter

Oiltanking's subsidiary, Oiltanking Odfjell, holds 50% (amounting to IRR 500,000) of the paid-up capital of Falleh Iran.

45. Oiltanking Odfjell Terminals Oman B.V., Netherlands ("Oiltanking Odfjell, Netherlands")

Corporate Information

Oiltanking Odfjell, Netherlands was incorporated on April 26, 2005 under the laws of Netherlands. The registered office of Oiltanking Odfjell, Netherlands is situated at Oude Maasweg 6, 3197KJ Botlek

Rotterdam, Netherlands. Oiltanking Odfjell, Netherlands was incorporated for the purposes of strategic investments.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 9.078 class "A" shares of EURO 1 each, aggregating to 42.5% of the issued and paid-up share capital of Oiltanking Odfjell, Netherlands.

46. Oiltanking Odfjell Terminals & Co. LLC, Oman (Oiltanking Odfjell, Oman)

Corporate Information

Oiltanking Odfjell, Oman was incorporated on August 21, 2005 under the laws of Oman. The registered office of Oiltanking Odfjell, Oman is situated at Qurum Plaza, 3rd floor, Muscat, P.O.Box 102, P.C. 114, Jibroo, Muscat, Sultanate of Oman. Oiltanking Odfjell, Oman is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

Oiltanking's subsidiary, Oiltanking Odfjell, Netherlands holds 105,000 shares of OMR 1 each aggregating to 70% of the issued and paid-up share capital of Oiltanking Odfjell, Oman.

47. Oiltanking Peru GmbH, Germany ("Oiltanking Peru GmbH")

Corporate Information

Oiltanking Peru GmbH was incorporated on December 8, 2009 under the laws of Germany. The registered office of Oiltanking Peru GmbH is situated at Admiralitätstraße 55, 20459 Hamburg, Germany. Oiltanking Peru GmbH was incorporated for the purposes of strategic investments.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 1 share of EURO 25,000 aggregating to 100% of the issued and paid-up share capital of Oiltanking Peru GmbH.

48. Oiltanking Andina S.A.C., Peru ("Oiltanking Andina")

Corporate Information

Oiltanking Andina was incorporated on April 21, 2006 under the laws of Peru. The registered office of Oiltanking Andina is situated at Av. Paseo de la República 4675, Surquillo, Lima 34, Peru. Oiltanking Andina was incorporated for the purposes of strategic investments.

Interest of the Promoter

Oiltanking's subsidiary, OPSAC holds 3,992 shares of PEN 1,000 each aggregating to 50% of the issued and paid-up share capital of Oiltanking Andina.

49. Oiltanking Andina Services S.A.C., Peru ("Oiltanking Andina Services")

Corporate Information

Oiltanking Andina Services was incorporated on January 21 under the laws of Peru. The registered office of Oiltanking Andina Services is situated at Av. Paseo de la República 4675, Surquillo, Lima 34, Peru. Oiltanking Andina Services is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

Oiltanking's subsidiary, Oiltanking Peru GmbH holds 36,500 shares of PEN 1 each aggregating to 50% of the issued and paid-up share capital of Oiltanking Andina Services.

50. Logistica de Quimicos del Sur S.A.C., Peru ("LQS")

Corporate Information

LQS was incorporated on June 1, 2006 under the laws of Peru. The registered office of LQS is situated at Av. Paseo de la República 4675, Surquillo, Lima 34, Peru. LQS is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

Oiltanking Andina holds 1,822 shares of PEN 1 each aggregating to 50% of the issued and paid-up share capital of LQS.

51. Oiltanking Asia Pacific Pte. Ltd., Singapore ("Oiltanking Asia Pacific")

Corporate Information

Oiltanking Asia Pacific was incorporated on March 31, 2006 under the laws of Singapore. The registered office of Oiltanking Asia Pacific is situated at One Marina Boulevard #28-00, Singapore 018989. Oiltanking Asia Pacific was incorporated for the purposes of providing strategic management services.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 2,000,000 shares of SGD 1 each aggregating to 100% of the issued and paid-up share capital of Oiltanking Asia Pacific.

52. Huizhou Daya Bay Oiltanking Petrocheminal Public Jetty Co. Ltd., China ("Huizhou Daya Bay")

Corporate Information

Huizhou Daya Bay was incorporated on November 7, 2007 under the laws of China. The registered office of Huizhou Daya Bay is situated at Daya Bay Economy and Technology Development Zone, Huizhou, Guangdong Province, China. Huizhou Daya Bay is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds shares worth RMB 12,000,000 representing 25% of the issued and paid-up share capital of Huizhou Daya Bay.

53. OTI Terminal Pte. Ltd., Singapore ("OTI Terminal")

Corporate Information

OTI Terminal was incorporated on March 2, 2006 under the laws of Singapore. The registered office of OTI Terminal is situated at One Marina Boulevard #28-00, Singapore 018989. OTI Terminal was incorporated for the purposes of strategic investments.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 23,102,000 shares of SGD 1 each aggregating to 100% of the issued and paid-up share capital of OTI Terminal.

54. PT OT Merak Terminal, Indonesia ("PT OT Merak")

Corporate Information

PT OT Merak was incorporated on September 8, 2006 under the laws of Indonesia. The registered office of PT OT Merak is situated at Menara Prima Building Fl. 16, Jl. Lingkar Mega Kuningan Block 6.2, Jakarta 12950, Indonesia. PT OT Merak is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

Oiltanking's subsidiary, OTI Terminal, holds 5,852,000 shares of USD 1 each aggregating to 70% of the issued and paid-up share capital of PT OT Merak.

55. Oiltanking Logistica Argentina S.A., Argentina ("Oiltanking Logistica Argentina")

Corporate Information

Oiltanking Logistica Argentina was incorporated on April 3, 2007 under the laws of Argentina. The registered office of Oiltanking Logistica Argentina is situated at 26 Rivera Street, 2nd floor, office "A", San Isidro (B1607CFB), Province of Buenos Aires, Argentina. Oiltanking Logistica Argentina was incorporated to provide independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 2,188,800 shares of ARS 1 each aggregating to 95% of the issued and paid-up share capital of Oiltanking Logistica Argentina.

56. Oiltanking (Nanjing) Co. Ltd., China ("Oiltanking (Nanjing)")

Corporate Information

Oiltanking (Nanjing) was incorporated on April 16, 2004 under the laws of China. The registered office of Oiltanking (Nanjing) is situated at Fangshui Road No. 158 Liuhe District, 210047 Nanjing, China. Oiltanking (Nanjing) is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds shares worth USD 16,262,784 representing 77.2% of the issued and paid-up share capital of Oiltanking (Nanjing).

57. Oiltanking Mediaco Marseille SAS, France ("Oiltanking Mediaco")

Corporate Information

Oiltanking Mediaco was incorporated on April 29, 2008 under the laws of France. The registered office of Oiltanking Mediaco is situated at 17 Avenue André Roussin, Espace Jean-Jacques Vernazza, 13016 Marseille, France. Oiltanking Mediaco was incorporated to provide independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 120,000 shares of EURO 1 each aggregating to 60% of the issued and paid-up share capital of Oiltanking Mediaco.

58. Oiltanking KNOC Yeosu Co. Ltd., South Korea ("Oiltanking KNOC")

Corporate Information

Oiltanking KNOC was incorporated on November 3, 2008 under the laws of South Korea. The registered office of Oiltanking KNOC is situated at 1157 Nakpo-dong. Yeosu, South Korea. Oiltanking was incorporated to provide independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 25,670 shares of KRW 5,000 each aggregating to 34% of the issued and paid-up share capital of Oiltanking KNOC.

59. Oiltanking Colombia S.A., Colombia ("Oiltanking Colombia")

Corporate Information

Oiltanking Colombia was incorporated on December 18, 2008 under the laws of Colombia. The registered office of Oiltanking Colombia is situated at Mamonal km12, Cartagena de India, Colombia. Oiltanking Colombia is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 9,499 shares of COP 1,000 each aggregating to 94.99% of the issued and paid-up share capital of Oiltanking Colombia.

60. Oiltanking Middle East, Bermudas ("Oiltanking Bermudas")

Corporate Information

Oiltanking Bermudas was incorporated on July 21, 2009 under the laws of Bermuda. The registered office of Oiltanking Bermudas is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. Oiltanking Bermudas was incorporated for the purposes of strategic investments.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 10,000 shares of USD 1 each aggregating to 100% of the issued and paid-up share capital of Oiltanking Bermudas.

61. Oiltanking Calulo (Pty) Ltd., South Africa ("Oiltanking Calulo")

Corporate Information

Oiltanking Calulo was incorporated on October 29, 2008 under the laws of South Africa. The registered office of Oiltanking Calulo is situated at Platinum Place, Turnberry Office Park, 48 Grosvenor Road, Bryanston, 2191, South Africa. Oiltanking Calulo is incorporated for providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 490 shares of ZAR 1each aggregating to 49% of the issued and paid-up share capital of Oiltanking Calulo.

62. Skytanking Calulo (Proprietary) Limited, South Africa ("SCPL")

Corporate Information

SCPL was incorporated on May 19, 2009 under the laws of South Africa. The registered office of SCPL is situated at Platinum Place, Turnberry Office Park, 48 Grosvenor Road, Bryanston, 2191, South Africa. SCPL is engaged in the business of providing into plane fuelling services.

Interest of the Promoter

Oiltanking's subsidiary, Oiltanking Calulo, holds 600 shares of ZAR 1 each aggregating to 60% of the issued and paid-up share capital of SCPL.

63. Oiltanking Panama S.A., Panama ("Oiltanking Panama")

Corporate Information

Oiltanking Panama was incorporated on June 27, 2008 under the laws of Panama. The registered office of Oiltanking Panama is situated at Arosamena, Noriega & Contreras, Calle Elvira Méndez Número 10, Edificio Interseco, Panama. Oiltanking Panama was incorporated to provide independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds two shares of aggregating to 100% of the issued and paid-up share capital of Oiltanking Panama.

64. Taboguilla Holdings Inc., British Virgin Islands ("Taboguilla")

Corporate Information

Taboguilla was incorporated on July 10, 2007 under the laws of British Virgin Islands. The registered office of Taboguilla is situated at Omar Hodge Building, Chera Chambers, Road Town Tortola, British Virgin Islands. Taboguilla was incorporated for the purposes of strategic investments.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 3,080 shares aggregating to 20% of the issued and paid-up share capital of Taboguilla.

65. Terminal Industrial Taboguilla S.A., Panama ("Terminal Industrial Taboguilla")

Corporate Information

Terminal Industrial Taboguilla was incorporated on January 4, 2007 under the laws of Panama. The registered office of Terminal Industrial Taboguilla is situated at Calle 47 and Balboa Avenue, Condominio Vista Marina, Piso 6, Panama City, Panama. Terminal Industrial Taboguilla was incorporated to provide independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

Taboguilla holds 100 shares representing 100% of the issued and paid-up share capital of Terminal Industrial Taboguilla.

66. Inversiones Poncho S.A., Panama ("Inversiones Poncho")

Corporate Information

Inversiones Poncho was incorporated on April 27, 2006 under the laws of Panama. The registered office of Inversiones Poncho is situated at Calle 47 and Balboa Avenue, Condominio Vista Marina, Piso 5, Panama City, Panama. Inversiones Poncho is engaged in the business investing in real estate.

Interest of the Promoter

Taboguilla holds 500 shares representing 100% of the issued and paid-up share capital of Inversiones Poncho.

67. Poliductos del Peru S.A.C., Peru ("Poliductos")

Corporate Information

Poliductos was incorporated on July 7, 2010 under the laws of Peru. The registered office of Poliductos is situated at Av. Paseo de la República, 4675 Surquillo, Lima 34, Peru. Poliductos was incorporated for a project involving the construction, ownership and operation of a pipeline.

Interest of the Promoter

Oiltanking Andina holds 6,321 shares of PEN 1,000 each aggregating to 99.98% of the issued and paid-up share capital of Poliductos.

68. Morgas Pipeline S. de R.L. de C.V., Mexico ("Morgas Pipeline")

Corporate Information

Morgas Pipeline was incorporated on January 25, 2005 under the laws of Mexico. The registered office of Morgas Pipeline is situated at Pedro Luis Ogazon 59, Guadaloupe Inn, 01020 City of Mexico, Mexico. Morgas Pipeline was incorporated provide independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

Oiltanking's subsidiary, Oiltanking' Mexico S. de R.L. de C.V., holds shares worth MXN 1,530 representing 51% of the paid-up share capital of Morgas Pipeline.

69. OTFER S. de R.L. de C.V. ("OTFER")

Corporate Information

OTFER was incorporated on July 29, 2005 under the laws of Mexico. The registered office of OTFER is situated at Pedro Luis Ogazon 59, Guadaloupe Inn, 01020 City of Mexico, Mexico. OTFER was incorporated provide independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

Oiltanking's subsidiary Oiltanking' Mexico S. de R.L. de C.V. holds shares worth MXN 1,530 representing 51%of the paid-up share capital of OTFER.

70. Oil Import ApS, Denmark ("OIA")

OIA was incorporated on August 1, 1990 under the laws of Denmark. The registered office of OIA is situated at S-Vej 4, Provestenen 2300, Copenhagen S, Denmark. OIA was formed to provide certain customs services to OCA's customers.

Interest of the Promoter

Oiltanking's subsidiary OCA holds 1,250 shares of DKK 100 each, aggregating to 100% of the issued and paid-up share capital of OIA.

71. OTF CM LLC, USA ("OTF CM")

Corporate Information

OTF CM was incorporated on April 23, 2010 under the laws of Texas. The registered office of OTF CM is situated at 1401 McKinney, Suite 1700, Houston, Texas 77010, USA. OTF CM was incorporated to manage a construction project.

Interest of the Promoter

Oiltanking's subsidiary, OHAIU, holds 100% capital of OTF CM aggregating to USD 1,000.

72. PSOT LLC, USA ("PSOT")

Corporate Information

PSOT was incorporated on July 16, 2008 under the laws of Texas. The registered office of PSOT is situated at 1401 McKinney, Suite 1700, Houston, Texas 77010, USA. PSOT was incorporated for the purpose of owning real estate.

Interest of the Promoter

TOPS holds 100% capital of PSOT aggregating to USD 1,000.

73. Oiltanking/Dupré St. Croix, LLC ("St. Croix")

St. Croix was incorporated on July 9, 2010 under the laws of US Virgin Islands. The registered office of St. Croix is situated at Post Office Box 63, St. Thomas, US Virgin Islands 00804-6347. St. Croix was incorporated to provide independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

Oiltanking Dupré holds 100% interest in St. Croix aggregating to USD 1,000.

74. Oiltanking/Dupré Corpus Christi LLC ("Corpus Christi")

Corpus Christi was incorporated on August 17, 2010 under the laws of Texas. The registered office of Corpus Christi is situated at 1401 McKinney, Suite 1700, Houston, Texas 77010, USA. Corpus Christi has been set up to provide independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

Oiltanking Dupré holds 100% interest in Corpus Christi.

75. PT Oiltanking Riau ("Oiltanking Riau")

Corporate Information

Oiltanking Riau was incorporated on July 1, 2010 under the laws of Indonesia. The registered office of PT Oiltanking Riau is situated at Menara Prima Building Fl. 16, Jl. Lingkar Mega Kuningan Block 6.2, Jakarta 12950, Indonesia. Oiltanking Riau was incorporated for the purposes of strategic investments.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds 1,000,000 shares of USD 1 each, aggregating to 95% of the issued and paid-up share capital of Oiltanking Riau.

76. Oiltanking Egypt GmbH, Germany ("OT Egypt")

Corporate Information

OT Egypt was incorporated on April 9, 2010 under the laws of Germany. The registered office of OT Egypt is situated at Admiralitaetstrasse 55, 20459 Hamburg, Germany. OT Egypt is incorporated for the purpose of making strategic investments.

Interest of the Promoter

The Company's Promoter, Oiltanking, holds two shares of EURO 12,750 and 12,250 respectively, aggregating to 100% of the issued and paid-up share capital of OT Egypt.

Partnerships

1. **IndianOil Ruchi Biofuels LLP ("IORBL")**

Corporate Information

IORBL was incorporated on May 28, 2010 under the laws of India. The registered office of IORBL is situated at Uttar Pradesh. IORBL is engaged in the business of implementing bio diesel value chain project in Uttar Pradesh.

Interest of the Promoter

The Company's Promoter, Indian Oil, has as of June 30, 2010, not contributed any capital to IORBL.

2. Oiltanking Deutschland GmbH & Co. KG, Hamburg, Germany ("ODG")

Corporate Information

ODG was incorporated on July 3, 2003 under the laws of Germany. The registered office of ODG is situated at Admiralitaetstrasse 55, 20459 Hamburg, Germany. ODG is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

The Company's Promoter, Oiltanking, is a partner with paid-in capital of EURO 7,500,000 in ODG.

3. Weser-Tanking GmbH & Co. KG, Germany ("Weser, Germany")

Corporate Information

Weser, Germany was incorporated on December 27, 1994 under the laws of Germany. The registered office of Weser, Germany is situated at Cuxhavener Strasse 42/44, 28217 Bremen, Germany. Weser, Germany is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

ODG is the limited partner and Weser – Tanking is the general partner of Weser, Germany.

4. Oiltanking Houston L.P., USA ("Oiltanking Houston")

Corporate Information

Oiltanking Houston was incorporated on March 1, 2001 (earlier registered as limited liability company on October 14, 1974) under the laws of Texas. The office of Oiltanking Houston is situated at 1401 McKinney, Suite 1700, Houston, Texas 77010, USA. Oiltanking Houston is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

OHAIU is the limited partner of Oiltanking Houston holding 99% and OTH GP LLC is the general partner holding 1% of total capital of USD 25,000,000.

5. Oiltanking Beaumont GP LP, USA ("Oiltanking Beaumont")

Corporate Information

Oiltanking Beaumont was incorporated on March 17, 1998 under the laws of Delaware. The office of Oiltanking Beaumont is situated at Prentice-Hall Corporation System, Inc., 1013 Centre Road, Wilmington, Delaware 19805, USA. Oiltanking Beaumont is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

OHAIU is the limited partner of Oiltanking Houston holding 99% and Oiltanking Beaumont GP, LLC is the general partner holding 1% of total capital of USD 10,400,000.

6. Oiltanking Texas City LP, USA ("Oiltanking Texas")

Corporate Information

Oiltanking Texas was incorporated on November 21, 2003 under the laws of Texas. The office of Oiltanking Texas is situated at 1401 McKinney, Suite 1700, Houston, Texas 77010, USA. Oiltanking Texas is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

OHAIU is the limited partner of Oiltanking Houston holding 99% and OTTC GP LLC is the general partner holding 1% of total capital of USD 1,000,000.

7. Oiltanking Freeport LP, USA ("Oiltanking Freeport")

Corporate Information

Oiltanking Freeport was incorporated on February 28, 2008 under the laws of Texas. The office of Oiltanking Freeport is situated at 1401 McKinney, Suite 1700, Houston, Texas 77010, USA. Oiltanking Freeport was incorporated for the purposes of strategic investments.

Interest of the Promoter

OHAIU is the limited partner of Oiltanking Houston holding 99% and OTF GP LLC is the general partner holding 1% of total capital of USD 35,615,000.

8. Texas Offshore Port System, USA ("TOPS")

Corporate Information

TOPS was incorporated on April 15, 2008 under the laws of Delaware. The registered office of TOPS is situated at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, USA. TOPS was incorporated for providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

Oiltanking Freeport LP holds 33.33% and OTF GP holds 66.7% of the capital of TOPS.

Consortium

1. Consorcio Terminales, Peru

Corporate Information

Consorcio Terminales, Peru was formed as a consortium between OPSAC and GYM S.A. on February 2, 1998 under the laws of Peru. The office of Consorcio Terminales, Peru is situated at Paseo de la Republica 4675, Primer Piso, Lima 34, Peru. Consorcio Terminales, Peru is engaged in the business of providing independent terminalling services in the oil and gas, petrochemical and chemical sectors.

Interest of the Promoter

Oiltanking's subsidiary OPSAC has a participation of 50% in the consortium.

Nature and Extent of Interest of Promoters and Group Companies

(a) In the promotion of the Company

None of the Group Companies other than Mabagas and IOSL have any interest in the promotion of the Company.

(b) In the properties acquired or proposed to be acquired by the Company in the past two years before filing the Draft Red Herring Prospectus with SEBI

Neither the Promoters nor any of the Group Companies is interested in the properties acquired or proposed to be acquired by the Company in the two years preceding the filing of the Draft Red Herring Prospectus.

(c) In transactions for acquisition of land, construction of building and supply of machinery

Neither the Promoters nor any of the Group Companies is interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Common Pursuits amongst the Group Companies and Associate Companies with the Company

There are no common pursuits amongst any of our Group Companies and our Company.

Related Business Transactions within the Group Companies and Significance on the Financial Performance of the Company

For details, see the section "Related Party Transactions" beginning on page 185 of this Draft Red Herring Prospectus.

Sale/Purchase between Group Companies, Subsidiaries and Associate Companies

The cost for the engineering and construction services provided by IOTEP, a subsidiary of the Company exceeds 10% of the total cost for engineering and construction services as of March 31, 2010 on a standalone basis. For details, see the section "Related Party Transactions" beginning on page 185 of this Draft Red Herring Prospectus.

Business Interest of Group Companies, Subsidiaries and Associate Companies in the Company

We have entered into certain business contracts with the subsidiaries. For details, see the section "Related Party Transactions" beginning on page 185 of this Draft Red Herring Prospectus. None of the Group Companies and associate companies has any business interest in the Company.

Defunct Group Companies

Other than as disclosed in the section titled "Group Companies" beginning on page 152 of this Draft Red Herring Prospectus, none of the Group Companies remain defunct and no application has been made to the registrar of companies for striking off the name of any of the Group Companies, during the five years preceding the date of filing the Draft Red Herring Prospectus with SEBI.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, see the section "Financial Statements- Consolidated Summary Statement of Related Party Disclosures" and "Financial Statements- Unconsolidated Summary Statement of Related Party Disclosures" on pages 185 and 187 respectively, of the Draft Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividend, if any, will be recommended by the Board of Directors and approved by the shareholders of the Company at their discretion, subject to the provision of the Articles and the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to, the earnings, general financial conditions, capital requirements and surplus, contractual restrictions, applicable Indian legal restrictions and overall financial position of the Company and other factors considered relevant by the Board. The Board may, from time to time, pay interim dividend. The Company has no stated dividend policy and has not declared any dividends in the last five years.

FINANCIAL STATEMENTS

Restated Financial Statements of IOT Infrastructure & Energy Services Limited for the year ended March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006.

To,
The Board of Directors
IOT Infrastructure & Energy Services Limited
103, Spectra,
Hiranandani Business Park,
Powai,
Mumbai – 400 076.

Dear Sirs,

IOT Infrastructure & Energy Services Limited (Formerly Indian Oil Tanking 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 initialed 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 March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 (Annexure I-A); Standalone Restated Statement of Profits and Losses for the years ended March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 (Annexure II-A) and Standalone Restated Cash flow Statement for the years ended March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 (Annexure III-A), together referred to as 'standalone statements'.

b) Consolidated Restated Statement of Assets and Liabilities of the Company as at March 31, 2010, 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 years ended March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006, (Annexure II-B) and Consolidated Restated Cash flow Statement for the years ended March 31, 2010, 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 IOT Engineering and Construction Services Pte. Ltd. audited by Goh Ngiap Suan & Co., Certified Public Accountants; Indian Oiltanking Engineering and Construction Services LLC audited by KPMG, Oman; IOT MABA GAS Ltd audited by L. Santhana Raman Chartered Accountant; Stewarts & Lloyds of India Limited audited by Price Waterhouse , Chartered Accountants; IOT Canada Limited audited by V. K. Bukalsaria & Co., Chartered Accountants; IOT Utkal audited by V. Sankar Aiyar & Co., Chartered Accountants; the financial statements of the Joint venture Indian Oil Skytanking Limited audited by V. Sankar Aiyar & Co., Chartered Accountants; 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 selected significant notes as at March 31, 2010, 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) The Company has not consolidated the financial statements of PT IOT Energy Services Indonesia Ltd, the subsidiary Company, in the financial statements of year ending 31st March, 2010, as there is no operating activity during that year.

d) The aforesaid statements do not cover any exceptional items and changes in accounting policies which require restatement of financials.

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 selected notes to statements. (Including Segment Reporting)	IV – A	IV – B
ii.	Details of Contingent Liabilities	IV – A Note No. – B.1	IV – B Note No. – B.1
iii.	Details of transactions with Promoters/Promoter group/group Companies and Key Managerial Personnel	IV – AI	IV – BI
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 other income where such income exceeds 20 percent of net profit before tax	XI – A	–
xi.	Statement of Expenses	XII – A	XI – B
xii.	Details of rate of Dividend declared	XIII – A	XIII – B
xiii.	Statement of Tax Shelters	XIV – A	XII – B
xiv.	Statement of Secured Loans	XIV	
xv.	Statement of Unsecured Loans	XV	

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, 1.3 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
Firm Registration No: 301051E

Place: Mumbai
Date: September 7, 2010

IOT Infrastructure & Energy Services Limited

ANNEXURE I-A

STANDALONE RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Million)

	Particulars	As at March 31,				
		2010	2009	2008	2007	2006
A	**Fixed Assets**					
	Gross Block (at cost)	4,588.66	4,371.51	3,832.62	3,515.46	3,347.92
	Less: Depreciation	1,641.99	1,419.23	1,209.02	1,030.03	860.27
	Net Block	**2,946.67**	**2,952.28**	**2,623.60**	**2,485.43**	**2,487.65**
	Capital Work in Progress (including capital advance payments)	274.58	242.70	115.76	51.61	3.48
	Total Fixed Assets	**3,221.25**	**3,194.98**	**2,739.36**	**2,537.04**	**2,491.13**
	Assets held for disposal	**-**	**-**	**-**	**15.14**	**10.00**
B	**Investments**	**1,464.39**	**1,434.45**	**508.78**	**769.93**	**141.98**
C	**Current Assets, Loans and Advances**					
	Inventories	89.86	47.73	8.63	21.14	15.58
	Sundry Debtors	936.02	1,005.12	884.59	1,193.10	531.11
	Cash & Bank balances	10.88	19.57	31.70	305.29	37.81
	Loans and advances	477.48	720.56	924.03	183.49	126.99
	Other Current Assets	7,312.50	5,637.84	4,109.28	739.47	592.32
	Total	**8,826.74**	**7,430.82**	**5,958.23**	**2,442.49**	**1,303.81**
	Total Assets (A+B+C)	**13,512.38**	**12,060.25**	**9,206.37**	**5,764.60**	**3,946.92**
D	**Liabilities & Provisions**					
	Loan Funds					
	Secured Loans	3,079.71	3,104.07	1,711.23	1,323.34	1,361.56
	Unsecured Loans	917.03	958.11	157.03	-	60.00
		3,996.74	**4,062.18**	**1,868.26**	**1,323.34**	**1,421.56**
	Deferred Tax Liability	**371.00**	**374.23**	**387.49**	**399.88**	**361.61**
	Current Liabilities & Provisions					
	Current Liabilities	4,301.08	3,266.64	3,072.41	2,146.39	490.38
	Provisions	122.56	111.77	86.75	47.61	33.47
		4,423.64	**3,378.41**	**3,159.16**	**2,194.00**	**523.85**
	Total Liabilities (D)	**8,791.38**	**7,814.82**	**5,414.91**	**3,917.22**	**2,307.02**
E	**Share Application Money Pending Allotment (E)**	**-**	**-**	**1.21**	**-**	**-**
F	**Net worth (A+B+C) – (D)-(E)**	**4,721.00**	**4,245.43**	**3,790.25**	**1,847.38**	**1,639.90**
	Represented by:					
	Shareholders' funds					
	Share Capital	2,323.83	2,323.83	2,322.86	1,180.00	1,180.00
	Reserves & Surplus	2,397.17	1,921.60	1,467.39	667.38	459.90

	Particulars	As at March 31,				
		2010	2009	2008	2007	2006
	a) Securities Premium Account	457.63	457.63	457.14	-	
	b) General Reserve	220.00	20.00	20.00	20.00	20.00
	c) Debt Redemption Reserve	-	200.00	160.00	120.00	80.00
	d) Profit and Loss Account	1,719.54	1,243.97	830.25	527.38	359.90
	Total	**4,721.00**	**4,245.43**	**3,790.25**	**1,847.38**	**1,639.90**

IOT Infrastructure & Energy Services Limited

ANNEXURE II - A

STANDALONE RESTATED STATEMENT OF PROFIT & LOSSES

(Rs. In Million)

Particulars	For the year ended March 31,				
	2010	2009	2008	2007	2006
Income					
Income from Operations:					
Terminalling Services	927.29	880.19	578.75	512.60	511.65
Construction and Engineering Services	8,773.12	9,117.04	7,782.57	3,669.50	1,889.74
Total Income from Operations	9,700.41	9,997.23	8,361.32	4,182.10	2,401.39
Other income	493.47	408.75	72.10	18.01	14.20
Total Income	**10,193.88**	**10,405.98**	**8,433.42**	**4,200.10**	**2,415.59**
Expenditure					
Cost of Construction and Engineering Services	8,332.96	8,624.78	7,237.06	3,379.27	1,691.01
Personnel expenses	210.40	180.79	94.99	56.72	44.05
Operating and other expenses	361.58	338.99	210.70	154.78	137.92
Operating Expenses	8,904.94	9,144.56	7,542.75	3,590.77	1,872.98
Profit before interest, depreciation, tax and amortisation (PBIDTA)	**1,288.94**	**1,261.42**	**890.66**	**609.34**	**542.61**
Interest and Finance Charges	345.55	342.38	191.07	112.29	107.38
Depreciation	227.18	212.32	180.69	172.23	163.76
Profit before tax	**716.21**	**706.72**	**518.90**	**324.82**	**271.47**
Current Tax (including Fringe Benefit Tax & Wealth Tax)	243.90	266.29	188.42	79.08	4.08
Deferred Tax	(3.23)	(13.26)	(12.39)	38.27	83.96
Profit after Tax (A)	**475.54**	**453.69**	**342.87**	**207.47**	**183.43**
Adjustments:					
Changes in Accounting Policy	-	-	-	-	-
Effects for incorrect Accounting Policy	-	-	-	-	-
Effects of Auditor's Qualification	-	-	-	-	-
Prior Period Items	-	-	-	-	-
Total Adjustments	-	-	-	-	-
Tax Impact on above adjustment	-	-	-	-	-
Tax Impact - Others	-	-	-	-	-
Total Tax Adjustments	-	-	-	-	-
Total Adjustments after tax impact (B)	-	-	-	-	-
Net Profit, as Restated (A+B)	**475.54**	**453.69**	**342.87**	**207.47**	**183.43**
Adjusted Earnings Per Share (Basic & Diluted) (Rs.)	**2.05**	**1.95**	**2.11**	**1.76**	**1.55**

IOT Infrastructure & Energy Services Limited

ANNEXURE III-A

STANDALONE RESTATED STATEMENT OF CASH FLOW

(Rs. In Million)

	Particulars	**For the year ended March 31,**				
		2010	**2009**	**2008**	**2007**	**2006**
A.	**Cash Flow from Operating Activities**					
	Net Profit before tax as restated	716.21	706.72	518.90	324.82	271.47
	Adjustment for :					
	Depreciation	227.18	212.32	180.70	172.22	163.76
	Foreign Exchange Gain/Loss - Unrealised (net)	(36.00)	9.23	(2.69)	0.04	-
	Interest Income	(51.49)	(42.80)	(25.96)	(4.63)	(2.89)
	Dividend Income	(397.46)	(382.78)	(12.51)	(10.00)	(4.99)
	(Profit)/Loss on Sale of Fixed Assets	(26.26)	0.33	(21.43)	0.35	0.17
	(Profit)/Loss on Revaluation of Land	-	-	-	(5.14)	-
	Provision for Warranty Costs	10.14	(3.26)	28.30	12.00	(22.79)
	Provision for Doubtful Debts/Advances	-	-	-	0.40	-
	Income from Current Investments	(1.65)	(0.04)	(31.88)	(1.03)	(0.92)
	Interest and finance charges (Gross)	397.05	385.18	217.03	116.93	110.27
	Sub Total	**121.51**	**178.18**	**331.56**	**281.14**	**242.61**
	Operating profit before working capital changes	**837.72**	**884.90**	**850.46**	**605.96**	**514.08**
	Adjustments for:					
	Changes in Trade and Other Receivables	322.70	45.72	(435.49)	(737.01)	1.63
	Changes in Inventories	(42.13)	(39.10)	12.51	(5.56)	107.62
	Changes in Other Current Assets	(1,683.56)	(1,521.47)	(3,369.51)	(146.47)	(18.00)
	Changes in Current Liabilities & Provisions	1,078.67	204.60	940.70	1,656.88	33.12
	Cash from operations	**513.40**	**(425.35)**	**(2,001.33)**	**1,373.80**	**638.45**
	Income Taxes paid	(254.41)	(229.04)	(184.96)	(60.99)	(60.51)
	Net cash from/(used in) operating activities (A)	**258.99**	**(654.39)**	**(2,186.29)**	**1,312.81**	**577.94**
B	**Cash Flow from Investing Activities**					
	Purchase of Fixed Assets (including CWIP)	(279.99)	(669.28)	(384.68)	(221.13)	(46.46)
	Sale of Fixed Assets	52.80	1.00	38.23	2.65	0.39
	Equity investments in Joint Venture/Subsidiary Companies	(29.94)	(925.67)	(278.86)	(87.95)	-
	Dividend Received from Joint Venture/Subsidiary Companies	397.46	382.78	12.51	10.00	4.99
	Income from Current Investments	1.65	0.04	31.88	1.03	0.92
	Interest Received	60.39	35.72	25.68	3.92	2.95
	Net cash from/(used in) investing activities (B)	**202.37**	**(1,175.41)**	**(555.24)**	**(291.48)**	**(37.21)**
C.	**Cash Flow from Financing Activities**					
	Share Application Money Received	-	-	1.21	-	-
	Proceeds from issue of Equity Shares	-	0.25	1,600.00	-	-
	Dividend Paid	-	-	-	-	(59.00)
	(Repayment) / Receipt of long -term borrowings	(77.17)	1,392.85	387.88	(38.21)	(36.52)
	Increase / (decrease) in short-term bank	11.73	801.08	157.03	(60.00)	(319.71)

	Particulars	For the year ended March 31,				
		2010	**2009**	**2008**	**2007**	**2006**
	borrowings					
	Interest and finance charges	(404.61)	(376.51)	(218.18)	(115.64)	(110.50)
	Net cash from/(used in) financing activities (C)	**(470.05)**	**1,817.67**	**1,927.94**	**(213.85)**	**(525.73)**
	Net (Decrease) / Increase in cash (A+B+C)	**(8.69)**	**(12.13)**	**(813.59)**	**807.48**	**15.00**
	Cash and cash equivalents at beginning of year	19.57	31.70	845.29	37.81	22.81
*	Cash and cash equivalents at end of year	10.88	19.57	31.70	845.29	37.81
	Net (Decrease) / Increase as above	(8.69)	(12.13)	(813.59)	807.48	15.00

Note:

Cash and cash equivalents exclude balance in margin money.

* Cash and cash equivalents, for the year 2007 includes Rs.540 Million in units of mutual funds.

IOT Infrastructure & Energy Services Ltd.

Annexure IV-A

Statement of Significant Accounting Policies and selected Notes to Standalone Statements

A. Significant Accounting Policies

1. General

a. The Company was incorporated on 28th August, 1996, under the Companies Act, 1956 as Indian Oiltanking Limited and as on 1st December, 2008 it has changed to IOT Infrastructure & Energy Services Ltd. with Corporate Identity Number (CIN) U23200MH1996PLC102222 and is a 50:50 joint venture between Indian Oil Corporation Limited and Oiltanking GmbH Germany. The Company is mainly engaged in the business of Engineering, Procurement and Construction in the field of Refineries, Petrochemicals, Power Plants, etc. , Seismic services and Terminalling services including Operation and maintenance contracts.

b. The financial statements are prepared on the historical cost convention and on the accounting principle of a going concern.

c. Accounting policies, not specifically referred to otherwise, are consistent and in consonance with the applicable accounting standards.

d. All expenses and income to the extent ascertainable with reasonable certainty are accounted for on accrual basis.

e. The preparation of the financial statements in conformity with generally accepted accounting practices and Accounting Standards as specified in the Companies (Accounting Standards) Rule 2006 prescribed by the Central Government requires management to make estimates, the actual results could differ. Any revision to accounting estimates is recognised prospectively and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statement. The recognition, measurement, classification or disclosure of an item or information in the financial statement has been made relying on these estimates.

2. Revenue Recognition

Revenue Recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Terminalling Services

Revenues from Terminalling Services are recognised as per contractual terms.

Construction Contracts

Revenues from construction contracts are recognised by reference to the overall estimated profitability of the contract under the percentage of completion method. Foreseeable lossess in any contract are provided for 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 costs incurred (includes material fabricated/made especially for the contract/s, inspected and /or approved technically) to the estimated total costs.

Contract costs comprises of all costs that relate directly to the specific contract, incidental costs attributable to the contract including allocated overheads and warranty costs.

Engineering and Seismic Services

Revenues from Engineering and Seismic Services are recognised as per milestones defined in the contracts with clients.

3. Fixed Assets

Value of leasehold land is stated at the value of lease premium plus other incidental expenses incurred in relation to the acquisition of such land. Other fixed assets are stated at cost including taxes, duties, freight and other incidental expenses incurred in relation to acquisition and installation of the same. Pre-operative expenses incurred during the construction period upto the date the assets are put into use, are capitalised as cost of fixed assets.

4. Impairment of Assets

a. The Company assesses the carrying amount of assets at each Balance Sheet date to determine whether there is any indication of impairment. If such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is estimated as the higher of the net realisable value and the value in use with an impairment loss being recognised whenever the carrying amount exceeds the recoverable amount.

b. A previously recognised impairment loss on assets is reversed if there has been a change in the estimates used to determine the recoverable amount, however not to the extent higher than the carrying amount that would have been determined had no impairment loss been recognised in prior years.

5. Depreciation/Amortisation

Value of leasehold land is amortised from the year of commencement of commercial operations of the respective projects over the remaining period of the lease. Cost of Right of Way is amortised over the period for which such Right of Way is granted.

Depreciation on fixed assets is provided in accordance with the rates as specified in schedule XIV of the Companies Act, 1956 on Straight Line Method.

Depreciation in respect of the assets comprising of LPG Terminal & LPG Bottling Plant at Chennai are amortised over the period of ten years as per contractual terms with the client which is lower than the life determined under schedule XIV to the Companies Act, 1956.

6. Investments

All long-term investments are valued at cost and provision for diminution in value thereof is made wherever such diminution is other than temporary.

All current investments are valued at lower of cost or net fair/market value.

7. Inventories

i. Inventories are valued at the lower of cost and net realisable value after providing for obsolescence and other anticipated losses, if any.

ii. Cost in respect of:

a. Stores and spares are determined on first in first out basis.

b. Construction materials are determined on first in first out basis.

Work in Progress on construction contracts are valued at cost till a reasonable portion of job is completed and thereafter at realisable value.

8. Borrowing Costs

Interest and other borrowing costs incurred on funds borrowed which are attributable to the acquisition or construction of qualifying assets are capitalised as cost of assets, upto the date the asset is ready for its intended use. All other borrowing costs are recognised in the profit and loss account in the period in which they are incurred.

9. Foreign Exchange Transactions

Transactions in foreign currency are recorded at the rates of exchange prevailing on the date of the transactions. Foreign currency assets and liabilities are similarly translated at the rates prevalent on Balance Sheet date and the exchange differences are recognised in the profit and loss account.

Exchange difference on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of assets.

10. Employee Benefits

a. Provident Fund and Pension Fund:

Retirement benefits in the form of Provident Fund / Pension Fund is a defined contribution scheme 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.

b. Gratuity:

Gratuity liability is a defined benefit obligation. The company has taken an insurance policy under the Group Gratuity Scheme with the Insurers to cover the gratuity liability of the employees and the amount paid / payable in respect of the present value of liability of past services is charged to the Profit and Loss Account every year. The difference between the amount paid / payable to Insurers and the actuarial valuation made at the end of each financial year is also charged to Profit and Loss account.

c. Leave Entitlement:

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation.

11. Leases

Assets acquired on leases, where significant portions of the risks and rewards incidental to the ownership are retained by the lessor, are classified as operating leases. Lease rentals are charged to the Profit & Loss Account on accrual basis.

12. Taxation

a. Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income-tax Act, 1961.

b. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date.

c. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable/virtual certainty that these could be realised in future.

d. Provision for Fringe Benefit Tax has been made in respect of employee benefits and other specified expenses as determined under the Income-tax Act, 1961.

13. Provisions, contingent liabilities & contingent assets

(i) Provisions involving substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and it is probable that there will be outflow of resources.

(ii) Provision for warranty costs are made based on technical assessment considering the specific nature of each contract. Such assessments are reviewed periodically and revised considering past experience and actual incurrence. Unutilised provision is reversed on expiry of the warranty period.

(iii) Disclosures for a contingent liability is made, without a provision in books when there is an obligation that may, but probably will not, require outflow of resources.

(iv) Contingent assets are neither recognised, nor disclosed in the financial statements.

14. Debt Redemption Reserve

The loan having condition for creating Redemption Reserve, on its repayment, the Redemption Reserve created for the same is to be transferred to General Reserves.

15. Employee Stock Option Scheme

The Company follows the fair value per share for computing the compensation cost, for options granted under the scheme. The difference if any, between the fair value per share and grant price being the compensation cost is amortised over the vesting period of the options.

B. Selected Notes to Standalone Accounts

1. Details of Contingent Liabilities

(Rs. In Million)

Particulars	2010	2009	2008	2007	2006
Corporate Garantees and Bank Guarantees issued by the Company on behalf of Subsidiary companies	1,633.03	1,964.85	106.91	-	-
Disputed Income Tax Matters	93.00	9.50	17.97	21.57	14.23
Disputed Sales Tax matters	-	2.45	2.82	19.79	-
Disputed Service Tax matters	139.97	128.12	-	-	-
Right of way charges, rent & other matters	16.16	15.07	13.84	12.55	11.25
Gram Panchayat Tax	58.47	-	-	-	-
Claims against the Company not acknowledged as debts	-	-	-	0.52	0.52
Total	**1,940.64**	**2,119.99**	**141.56**	**54.43**	**26.01**

Liquidated Damages, as may be levied for completion of certain contracts beyond stipulated time and other claims, for which negotiations on reasonable grounds are on and of interest, if any on determination of the above matters amount of which is presently not ascertainable. In the opinion of the management amount, if any, payable would not be significant.

2. Disclosure of provisions as per AS-29 "Provisions, Contingent Liabilities and Contingent Assets" is as follows:

(Rs. In Million)

Items	2010	2009	2008	2007	2006
Provision Warranty and other costs	76.44	66.30	69.56	41.27	29.27

3.

(Rs. In Million)

Particulars	2010	2009	2008	2007	2006
Estimated amount of contracts remaining to be executed on capital account and not provided for are	91.65	278.78	342.68	66.78	58.81
(Net of Advances)	-	122.32	8.54	-	-

4.

(Rs. In Million)

Particulars	2010	2009	2008	2007	2006
The net exchange fluctuations arising on foreign currency transactions credited to other income	11.35	3.11	-	-	-
The net exchange fluctuations arising on foreign currency transactions debited to General and Administrative Expenses	-	-	1.00	0.08	2.55
Foreign currency exchange difference on amounts borrowed for acquisition of fixed assets adjusted to the carrying cost of fixed assets	14.78	16.98	-	-	-

5.

(Rs. In Million)

Particulars	2010	2009	2008	2007	2006
Additional claims recognised by company in respect of extra work/s carried out, which was not included in the original contract entered by the company.	1,226.50	678.25	99.63	39.48	39.48
- Included in above are dues form Indian Oil Corporation	1,143.80	610.50	72.00	39.48	39.48

6. Details of Gratuity

(Rs. In Million)

Net Benefit Expense / (Income)	2010	2009	2008
Current Service Cost	2.10	2.11	0.80
Interest Cost on Benefit Obligation	0.53	0.51	0.23
Expected Return on Plan Assets	(0.39)	(0.29)	(0.12)
Net Actuarial (Gain) / loss recognized in the Year	0.62	(1.41)	1.41
Net Benefit Expense / (Income)	2.86	0.92	2.32
Actual Return on Plan Assets			
Expected Return on Plan Assets	0.39	0.29	0.12
Actuarial Gain / Loss on Plan Assets	0.62	(0.58)	0.07
Actual Return on Plan Assets	1.01	(0.29)	0.19
Plan Asset / (Liability)			
Present Value of Obligation	8.37	4.56	4.62
Fair Value of Plan Assets	5.72	2.99	2.48
Funded Status (surplus/deficit)		-	-
Plan Asset / (Liability)	(2.65)	(1.57)	(2.14)

Net Benefit Expense / (Income)	2010	2009	2008
Closing defined benefit obligation			
Opening defined benefit obligation	4.56	4.62	2.10
Interest cost	0.53	0.51	0.23
Current service cost	2.10	2.11	0.80
Benefits paid	(0.07)	(0.68)	-
Actuarial (Gains) / Loss on obligation	1.25	(1.99)	1.48
Closing defined benefit obligation	8.37	4.57	4.61
Closing fair value of plan assets			
Opening fair value of plan assets	2.99	2.47	1.49
Expected return	0.39	0.29	0.12
Contributions by employer	1.78	1.50	0.80
Benefits paid	(0.07)	(0.68)	-
Actuarial Gains / (Losses)	0.62	(0.58)	0.07
Closing fair value of plan assets	5.71	3.00	2.48
Acturial Assumptions			
Discount Rate	8.25%	8%	8%
Expected rate of return on assets	8%	8%	8%
Mortality Rate	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)
Future salary increases consider inflation, seniority, promotion and other relevant factors	6%	4%	4%
promotion and other relevant factors			

Annexure IV - A

7. Segment Reporting

Primary segments (business segments)

The Company's operations comprise of (i) terminalling services from own terminals and operations and maintenance services in respect of clients' terminals and (ii) construction and engineering services. The revenues, expenses, assets and liabilities under the reportable segments are tabulated below.

(Rs. In Million)

		March 2010			March 2009			March 2008			March 2007			March 2006		
		Terminalling	Construction & Engineering	Total	Terminalling	Construction & Engineering	Total	Terminalling	Construction & Engineering	Total	Terminalling	Construction & Engineering	Total	Terminalling	Construction & Engineering	Total
a.	Revenue from external customers	927.29	8,773.12	9,700.42	880.19	9,117.04	9,997.23	578.67	7,782.65	8,361.32	512.60	3,669.50	4,182.10	511.65	1,889.74	2,401.39
b.	Segment results	357.57	361.04	718.61	394.95	416.17	811.12	232.29	513.63	745.92	207.55	290.47	498.02	222.31	206.84	429.16
	Less : Unallocable expenses net of unallocable income			(394.65)			(280.79)			26.60			56.28			47.41
	: Interest Paid (Gross)			397.05			385.18			200.43			116.93			110.27
	Profit before tax			716.22			706.73			518.89			324.82			271.48
	Provision for taxation (current, deferred and FBT)			240.67			253.00			176.03			117.35			88.04
	Profit after tax			475.55			453.73			342.87			207.47			183.44
c.	Carrying amount of Segment Assets	2,585.02	9,814.12	12,399.14	3,428.91	7,847.16	11,276.07	2,629.35	5,803.90	8,433.25	2,370.82	2,108.56	4,479.38	2,480.09	1,160.92	3,641.01
	Unallocated Assets			3,172.86			3,239.18			773.12			1,285.23			305.90
	Total Assets			15,572.00			14,515.26			9,206.37			5,764.61			3,946.92
d.	Carrying amount of Segment Liabilities	1,428.53	5,195.17	6,623.69	1,520.55	4,182.25	5,702.79	1,523.82	3,103.45	4,627.27	75.10	491.78	566.88	68.02	437.65	505.67
	Unallocated Liabilities			4,227.32			3,147.80			863.78			3,350.34			1,801.33
	Total Liabilities			10,851.01			8,850.59			5,491.05			3,917.22			2,307.00
e.	Cost incurred to acquire Segment fixed assets during the year	51.34	192.50	243.85	401.04	135.96	537.00	216.17	77.71	293.88	-	113.65	113.65	7.75	32.49	40.24
	Unallocated acquisitions			4.26			5.33			26.65			59.36			3.73
	Total			248.11			542.33			320.53			173.01			43.98
f.	Depreciation / Amortisation	186.99	33.32	220.31	184.19	20.77	204.97	159.93	14.50	174.43	159.44	7.11	166.54	157.22	2.26	159.48

		March 2010			March 2009			March 2008			March 2007			March 2006		
		Terminalling	**Construction & Engineering**	**Total**	**Terminalling**	**Construction & Engineering**	**Total**	**Terminalling**	**Construction & Engineering**	**Total**	**Terminalling**	**Construction & Engineering**	**Total**	**Terminalling**	**Construction & Engineering**	**Total**
	Unallocable Depreciation / Amortisation			6.87			7.35			6.28			5.67			4.28
	Total			227.18			212.32			180.70			172.22			163.76
g.	Income received by the Company are mostly from Indian operations, hence no secondary Segment reporting															

IOT Infrastructure & Energy Services Limited

Annexure IV – A1

Standalone Statement of Related Party Transactions

Details of transactions with promoters / promoter group / group companies and key managerial personnel:

In accordance with the requirements of Accounting Standard 18, "Related Party Disclosures" as notified under the Companies Act, 1956, the details of related party transactions are given below:

a. Name of the Related Parties, with the transactions have been taken place during the years - 2006, 2007, 2008, 2009 & 2010

(i) Parties where control exists-Subsidiaries:-

(a) Stewarts and Lloyds of India Ltd (S&L)

(b) IOT Engineering and Construction Services Pte. Ltd. (IOTECS Singapore)

(c) IOT Engineering Projects Ltd (IOTEP)

(d) IOT Anwesha Engineering and Construction Ltd

(e) Indian Oiltanking Engineering and Construction Services LLC. (IOTECS Oman)

(f) IOT Design & Engineering Ltd. (IOTDE)

(g) IOT Canada Limited

(h) Newsco Directional and Horizontal Drilling Services(Asia) Inc. (step down Subsidiary)

(i) IOT Mabagas Ltd. (Formerly known as IOT Cuddalore Construction and Terminals Ltd.)

(j) PT IOT Energy Services Indonesia Ltd.

(k) IOT Utkal Energy Services Ltd.

(l) IOT Anwesha Engineering & Construction LLC

(ii) Other Related Parties with whom the Company has entered into transactions during the year

(a) <u>Associates</u>

Indian Oil Corporation Limited(IOCL)

Oiltanking GmbH (OT)

OT Singapore

(b) <u>Joint Venture</u>

Zuari Indian Oiltanking Limited (ZIOTL)

IndianOil Skytanking Ltd., (IOSL)

(c) Key Management Personnel

Mr. Jayanta Bhuyan, Managing Director

Note : Related Parties are as identified by the Company and relied upon by the Auditors.

b. Details of transactions with the Related Parties in the ordinary course of business:

(Rs. in Million)

		March 2010	**March 2009**	**March 2008**	**March 2007**	**March 2006**
(i)	**Subsidiaries-Parties where control exists**					
	S&L					
	Sub-contracting Expenses	**15.48**	44.14	398.18	276.28	66.02
	Reimbursement of expenditure	**0.16**	0.07	1.81	0.03	-
	Rent Payable	**0.36**	0.44	-	-	0.19
	Dividend Received	**2.50**	4.99	4.99	4.99	4.99
	Purchase of Fixed Assets	**-**	0.67	-	-	-
	Sale of Fixed Assets	**-**	**-**	**-**	**-**	0.40
	IOTECS Singapore					
	Investment in Equity	**30.41**	-	-	2.95	-
	Advance against Share Application Money	**3.86**	17.37	13.04	6.05	-
	IOTEP					
	Construction and engineering services charges	**893.78**	606.54	217.63	-	-
	Rent Income received	**40.92**	17.79	1.38	-	-
	Reimbursement of capital expenditure (received)	**-**	-	0.69	-	-
	Interest received on advance given	**17.27**	8.05	-	-	-
	Reimbursement of revenue expenditure (received)	**20.82**	19.90	0.88	-	-
	Investment in Equity	**-**	17.50	0.65	-	-
	Bank Guarantees given	**173.30**	120.17	106.91	-	-
	IOTECS Oman					
	Consultancy Charges (received)	**3.41**	27.72	90.04	-	-
	Sub-contracting Income (received)	**20.95**	44.94	-	-	-
	Dividend Received (received)	**387.45**	370.27	-	-	-
	Reimbursement of revenue expenditure (received)	**2.17**	33.40	12.02	-	-
	IOTDE					
	Advances Given	**108.20**	135.41	58.58	-	-
	Designing Consultancy charges paid	**65.72**	142.65	-	-	-
	Rent Received	**1.18**	0.73	-	-	-
	Interest received on advances given	**10.76**	6.51	1.55	-	-

		March 2010	March 2009	March 2008	March 2007	March 2006
	IOT Anwesha					
	Sub-contracting Expenses paid	**561.17**	274.27	34.18	-	-
	Interest received on advances	**1.56**	3.12	-	-	-
	Advance received	**-**	0.15	-	-	-
	Reimbursement of revenue expenditure	**3.78**	3.27	0.49	-	-
	IOT Canada Ltd					
	Investment in Equity Shares	**-**	**29.75**	-	-	-
	Investment in Redeemable Preference Shares	**-**	741.41	-	-	-
	Newsco Directional and Horizontal Drilling Services(Asia) Inc					
	Reimbursement of revenue expenditure (received)	**6.09**	1.27	-	-	-
	Purchase of Fixed Asset	**-**	3.15	-	-	-
	IOT Mabagas Ltd.					
	(Formerly known as IOT Cuddalore Construction and Terminals Ltd.)					
	Equity Shares investment	**0.50**	0.50	-	-	-
	Advances Given	**1.83**	61.44	-	-	-
	IOT Utkal Energy Services Ltd.					
	Investment in Equity Shares	**0.50**	**-**	-	-	-
	Reimbursement of expenditure	**41.55**	-	-	-	-
	PT IOT Energy Services Indonisia Ltd.					
	Advance against Share Application Money	**4.01**	-	-	-	-
(ii)	**Associates**					
(a)	**With IOCL**					
	Terminalling services rendered	**16.55**	58.01	51.05	132.69	147.95
	Construction and engineering services rendered	**7,159.93**	6,372.60	4,156.69	1,780.12	1,176.28
	Recoverable expenditure	**339.62**	879.43	1.64	6.79	20.09
	Rent paid	-	-	-	0.02	0.04
(b)	**With OT**					
	Engineering Services rendered	**-**	0.41	-	1.21	13.13
	Terminalling software services	**2.84**	-	-	-	-
	Reimbursement of expenditure payable	**1.12**	6.84	2.65	1.74	0.73
	Purchase of Fixed Assets	**-**	**-**	**-**	**-**	0.36
	Dividend Paid	**-**	**-**	**-**	**-**	29.50
(c)	**OT Singapore**					

		March 2010	March 2009	March 2008	March 2007	March 2006
	O & M Services rendered	**-**	0.21	0.84	-	-
(iii)	**Joint Venture**					
(a)	**ZIOTL**					
	Recoverable expenditure	**6.11**	3.84	2.94	0.04	0.53
	Reimbursement of expenditure payable	**0.75**	0.05	0.25	2.90	11.55
	Dividend Received	**7.52**	7.52	7.52	5.01	-
	Purchase of Fixed Assets	-	-	-	0.12	-
(b)	**IOSL**					
	Construction and engineering services rendered	**9.22**	20.52	310.47	388.33	-
	Recoverable expenditure	**2.54**	3.01	4.22	5.24	-
	Equity Capital Subscribed	**-**	-	32.00	85.00	-
	Advances paid	**-**	-	-	0.10	-
(iv)	**Key Management Personnel**					
	Remuneration to Managing Director	**5.28**	5.10	4.77	2.77	2.76

c. Outstanding balances in respect of the Related Parties:

		March 2010	March 2009	March 2008	March 2007	March 2006
(I)	**Subsidiaries**					
	Stewarts and Lloyds of India Ltd.(S&L)					
	Payable including provisions	**8.32**	79.18	172.99	56.67	19.20
	IOTDE					
	Loan Receivable	**50.11**	43.66	58.58	-	-
	Interest Receivable	**10.76**	6.51	1.55	-	-
	IOTEP					
	Payable	**144.57**	43.48	70.86	-	-
	Advances Receivable	**132.90**	146.28	84.17	-	-
	Recoverable Expenditure receivable	**26.47**	3.47	1.93	-	-
	Bank Guarantees given	**173.30**	120.17	106.91	-	-
	IOTECS Singapore					
	Advance against Share Application Money	**3.86**	30.41	-	-	-
	Loan Receivable	-	-	19.09	-	-
	IOTECS Oman					
	Receivable	**26.69**	3.91	97.94	-	-
	IOT Anwesha					
	Payable	**263.09**	66.17	37.35	-	-
	Advances given	**79.79**	33.61	31.04	-	-

		March 2010	March 2009	March 2008	March 2007	March 2006
	Expenses Recoverable	**3.66**	3.71	-	-	-
	IOT Mabagas Ltd.					
	(Formerly known as IOT Cuddalore Construction and Terminals Ltd.)					
	Advance Recoverable	**1.83**	61.44	-	-	-
	Newsco Directional and Horizontal Drilling Services(Asia) Inc					
	Payable	-	3.15	-	-	-
	PT IOT Energy Services Indonesia Ltd.					
	Advance against Share Application Money	**4.01**	-	-	-	-
	IOT Utkal Energy Services Ltd.					
	Expenses Recoverable	**41.55**	-	-	-	-
(ii)	**Associates**					
	Receivables(from IOCL)	**354.27**	566.11	405.96	636.02	393.09
	Advance Received (from IOCL)	**262.51**	521.49	713.88	1,072.78	-
	Payable to OT	-	5.90	2.07	0.35	-
	Receivables from OT	**1.12**	-	-	-	1.80
	Receivables(from OT Singapore)	**0.06**	0.06	0.09	-	-
(iii)	**Joint Venture**					
	Receivables (from ZIOTL)	**0.42**	2.31	1.03	0.37	0.83
	Receivables(from IOSL)	**0.59**	0.68	13.56	194.85	-

d. Amounts pertaining to related parties written off/(Written Back)/Provided for (Net):

		March 2010	March 2009	March 2008	March 2007	March 2006
	Indian Oil Corporation Ltd.	**-**	0.09	-	0.03	(0.21)

IOT Infrastructure & Energy Services Limited

ANNEXURE V -A

STANDALONE STATEMENT OF SUNDRY DEBTORS

(Rs. In Million)

Particulars	**As at March 31,**				
	2010	**2009**	**2008**	**2007**	**2006**
Unsecured, considered good Outstanding for a period:					
Not exceeding Six Months	712.58	742.63	503.08	1,128.58	513.71
Exceeding Six Months	223.44	262.49	381.51	64.52	17.40
Total	**936.02**	**1,005.12**	**884.59**	**1,193.10**	**531.11**
Amount Due from Promoters/Promoters group companies and Directors included in Sundry Debtors:					
- Indian Oil Corporation Limited	354.27	566.11	405.96	636.02	393.09
- OT - Gmbh	1.12	-	-	0.35	1.80
Total	**355.39**	**566.11**	**405.96**	**636.37**	**394.89**
Amount Due from Group companies included in Sundry Debtors:					
- IBP Company Limited	2.61	4.88	5.81	10.35	14.54
- CPCL	40.03	38.02	31.84	36.60	17.16
- OT - Singapore	0.06	0.06	0.09	-	-
Total	**42.70**	**42.96**	**37.73**	**46.95**	**31.70**

IOT Infrastructure & Energy Services Limited

ANNEXURE VI -A

STANDLAONE STATEMENT OF LOANS AND ADVANCES GIVEN

(Rs. In Million)

Particulars	As at March 31,				
	2010	2009	2008	2007	2006
Unsecured, Considered Good					
Advances recoverable in cash or in kind or for value to be received	281.68	406.94	683.84	117.70	36.36
Due from Subsidiaries / Advance against Equity					
IOT Design & Engineering Limited	60.86	56.85	60.13	-	-
IOT Engineering Projects Ltd.	14.79	102.80	100.00	-	-
IOT Mabagas Ltd. (Formerly known as IOT Cuddalore Construction and Terminals Ltd.)	1.83	61.44	-	-	-
IOT Anwesha Engineering & Construction Ltd.	-	33.61	-	-	-
Indian Oiltanking Engineering & Construction Services LLC, Oman	26.69	-	-	-	-
IOT Utkal Energy Services Ltd.	41.55	-	-	-	-
IOT Engineering and Construction Services Pte. Ltd. Singapore	3.86	30.41	19.09	6.05	-
PT IOT Energy Services Indonesia Ltd.	4.01	-	-	-	-
Deposits with Government authorities and others	42.21	28.51	23.75	19.06	9.51
Advance Tax (Net of Provisions)	-	-	37.22	40.68	58.77
MAT Credit Entitlement	-	-	-	-	22.35
Total	**477.48**	**720.56**	**924.03**	**183.49**	**126.99**
Amount Due from Promoters/Promoters group companies and Directors included in Loans and Advances :	-	-	-	-	-
Amount Due from Group companies included in Loans and Advances:	-	-	-	-	-

IOT Infrastructure & Energy Services Limited

Annexure VII - A

STANDALONE STATEMENT OF INVESTMENTS

(Rs. In Million)

Particulars	**Face Value Rs.**	**As at March 31,**				
		2010	**2009**	**2008**	**2007**	**2006**
Long term and Trade Investments (At Cost):						
Quoted						
In subsidiary company						
Equity Shares, fully paid up						
Stewarts and Lloyds of India Ltd.	10	41.78	41.78	41.78	41.78	41.78
Unquoted						
A. In subsidiary companies						
Equity Shares, fully paid up						
IOT Engineering and Construction Services Pte. Ltd. Singapore	$1	33.36	2.95	2.95	2.95	-
Zuari IndianOil Tanking Ltd.	10	-	-	-	100.20	100.20
Indian Oil Skytanking Ltd.	10	-	-	-	85.00	-
IOT Anwesha Engineering and Construction Ltd.	10	234.90	234.90	233.95	-	-
IOT Engineering Projects Ltd.	10	149.30	149.30	0.64	-	-
IOT Design & Engineering Ltd.	10	20.00	0.50	0.50	-	-
Indian Oiltanking Engineering and Construction Services LLC. Oman	Omani Rial 1	11.76	11.76	11.76	-	-
IOT Canada Limited	Canadian $1	29.75	29.75	-	-	-
IOT Mabagas Ltd. (Formerly known as IOT Cuddalore Construction and Terminalling Ltd.)	Rs.10 in 2009 and Rs.1 in 2010	0.50	0.50	-	-	-
Iot Utkal Energy Services Ltd.	10	0.50	-	-	-	-
PT IOT Energy Services Indonesia Ltd.	$100	-	-	-	-	-
3% Redeemable Preference Shares						
3% Redeemable Preference Shares, in IOT Canada Limited, Convertible into Common (Equity) Share at fair value at the option of shareholders, of Canadian Dollar 0.97 each (2009: Redeemable Preference Shares of 1 each, fully paid up)	Canadian $ 0.97	725.34	745.81	-	-	-
B. Current Investment in Units of Mutual Fund		-	-	-	540.00	-
C. Investment in Joint Venture						
Zuari Indian Oiltanking Limited	10	100.20	100.20	100.20	-	-
Indian Oil Skytanking Limited	10	117.00	117.00	117.00	-	-
Total		**1,464.39**	**1,434.45**	**508.78**	**769.93**	**141.98**
Notes:						
Market Value of Quoted Investments		164.71	70.46	236.00	198.07	432.91

IOT Infrastructure & Energy Services Limited

ANNEXURE VIII-A

STANDALONE STATEMENT OF ACCOUNTING RATIOS

Particulars		As at March 31,				
		2010	2009	2008	2007	2006
Net worth as per Annexure I -A (Rs. Million)	A	4,721.00	4,245.43	3,790.25	1,847.38	1,639.90
Restated Profit after Tax as per Annexure II -A (Rs. Million)	B	475.54	453.69	342.87	207.47	183.43
No. of Shares outstanding at the end of the year (Million Nos)	C	232.38	232.38	232.29	118.00	118.00
Weighted average number of shares outstanding (Basic & Diluted) (Million Nos)	D	232.38	232.37	162.43	118.00	118.00
Adjusted Earnings per Share (Basic & Diluted) (Rs.)	**B/D**	**2.05**	**1.95**	**2.11**	**1.76**	**1.55**
Return on Net worth (%)	**B/A**	**10.07%**	**10.69%**	**9.05%**	**11.23%**	**11.19%**
Net Asset Value per Share (Rs.)	**A/C**	**20.32**	**18.27**	**16.32**	**15.66**	**13.90**

Note:
Ratios have been computed as below:

- Earnings per share – Basic (Rs.) = Net Profit as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year
- Earnings per share – Diluted (Rs.) = Net Profit as restated attributable to equity shareholders / Weighted average number of diluted potential equity shares outstanding
- Return on Net worth (%) = Net Profit after tax, as restated / Net worth at the end of the year.
- Net asset value per equity share (Rs.) = Net worth at the end of the year / Number of equity shares outstanding at the end of the year

IOT Infrastructure & Energy Services Limited

ANNEXURE IX-A

STANDALONE CAPITALISATION STATEMENT

(Rs. In Million)

Particular	Pre-Issue as at March 31, 2010	Post Issue *
Short Term Debt	1,939.40	
Long Term Debt	2,057.34	
Total Debt	**3,996.74**	
Equity Share Capital	2,323.83	
Reserves	2,397.17	
Total Shareholders' Fund	**4,721.00**	
Long Term Debt to Total Shareholders' Fund	**0.44:1**	

*Will be calculated after finalisation of issue Price

Short Term Debts represent debts, which are due within twelve months from March 31, 2010 and include current portion of Long Term Debt.

Long Term Debts are Debts other than Short Term Debts as defined above.

IOT Infrastructure & Energy Services Limited

ANNEXURE X-A

STANDALONE STATEMENT OF CHANGES IN SHARE CAPITAL

Particulars	As at March 31,				
	2010	2009	2008	2007	2006
Share Capital					
Authorised Share Capital					
No. of Equity Share of Rs. 10 each (Million Nos)	300.00	300.00	300.00	300.00	300.00
Amount (Rs. Million)	**3,000.00**	**3,000.00**	**3,000.00**	**3,000.00**	**3,000.00**
Issued, Subscribed & Paid Up					
No. of Equity Shares at the beginning of the year (Million Nos)	232.38	232.29	118.00	118.00	118.00
Add: Fresh Issue of Equity Shares (Million Nos) - To Promoters	-	-	114.29	-	-
Add: Fresh Issue of Equity Shares (Million Nos) - To Others - ESOPs	-	0.09	-	-	-
No. of Equity Shares at the end of the year (Million Nos)	232.38	232.38	232.29	118.00	118.00
Amount (Rs. Million)	**2,323.83**	**2,323.83**	**2,322.86**	**1,180.00**	**1,180.00**

IOT Infrastructure & Energy Services Limited

ANNEXURE XI-A

STANDALONE STATEMENT OF OTHER INCOME WHERE SUCH INCOME EXCEEDS 20 PERCENT OF NET PROFIT BEFORE TAX

(Rs. In Million)

Particulars	For the year ended March 31,					Nature of Income	Related/ Non Related to Business
	2010	2009	2008	2007	2006		
Dividend received from Subsidiaries/Joint ventures	397.46	382.78	12.51	10.00	4.99	Recurring	Related to Business
Exchange gain (Net)	11.35	3.11	-	-	-		
Rent received	56.38	22.82	6.29	1.33	0.53		
Insurance Claims received	0.38	-	-	-	-		
Dividend from Current Investments	1.65	0.04	31.88	1.03	0.92		
Profit on sale of Fixed Assets (Net)	26.26	-	21.43	0.51	-		
Diminution in the value of Fixed Assets earlier provided now written back	-	-	-	5.14	-		
Interest (gross)	-	-	-	-	-		
Miscellaneous receipts	-	-	-	-	7.75		
Total	**493.48**	**408.75**	**72.10**	**18.01**	**14.20**		
Restated Net Profit Before Tax	716.21	706.72	518.90	324.82	271.47		
% of other Income	68.90	57.84	13.89	5.54	5.23		

IOT Infrastructure & Energy Services Limited

ANNEXURE XII – A

STANDALONE RESTATED STATEMENT OF EXPENSES

(Rs. In Million)

Particulars	**For the year ended March 31,**				
	2010	**2009**	**2008**	**2007**	**2006**
PERSONNEL					
Salaries and allowances	190.46	163.08	83.54	48.33	36.01
Contribution to provident and other funds	8.00	8.02	4.74	3.65	3.77
Staff welfare expenses	11.94	9.69	6.71	4.74	4.27
	210.40	**180.79**	**94.99**	**56.72**	**44.05**
COST OF CONSTRUCTION AND ENGINEERING SERVICES					
Construction materials	4,621.08	5,004.87	2,715.69	367.33	357.03
Sub-contracting costs	3,104.61	3,087.19	4,093.90	2,695.79	1,127.03
Salaries and allowances	247.20	225.02	181.51	115.18	63.22
Contribution to provident and other funds	7.57	7.96	7.86	4.54	2.38
Staff welfare expenses	15.15	10.53	10.87	6.60	4.80
Rent	17.69	17.25	19.64	11.86	3.53
Repairs and maintenance					
Buildings	0.01	0.19	0.35	0.56	0.87
Plant and machinery	0.37	0.46	0.17	0.07	0.04
Others	2.15	1.43	1.98	1.37	1.16
Rates and taxes	111.82	21.48	45.30	54.62	33.80
Insurance	7.20	6.25	6.42	5.47	2.45
Communication expenses	5.98	7.14	9.08	5.86	4.42
Legal and professional charges	79.12	126.87	12.52	14.69	10.31
Travelling and conveyance	39.14	43.12	45.39	34.33	27.52
General and administrative expenses	63.91	67.41	58.08	46.71	17.46
Increase/(Decrease) in provision for warranty and other costs	10.14	-2.39	28.30	12.00	-22.79
(Increase)/Decrease in work-in-progress at cost					
Opening work-in-progress	0.00	0.00	0.00	2.29	60.07
Less: Closing work-in-progress	(0.18)	0.00	0.00	0.00	(2.29)
	8,332.96	**8,624.78**	**7,237.06**	**3,379.27**	**1,691.01**
OPERATING AND OTHER EXPENSES					
Power and fuel	25.51	23.60	18.69	14.65	13.15
Rent	6.70	8.11	5.97	4.51	4.38
Rates and taxes	6.67	4.49	2.99	2.64	1.77
Insurance	5.47	5.68	4.84	4.50	4.54
Repairs and maintenance					
Buildings	1.32	5.56	4.57	2.30	2.92
Plant and machinery	14.07	9.14	9.29	6.72	6.89
Others	35.65	30.47	14.30	9.52	7.74
Communication expenses	6.99	7.13	5.38	2.74	2.93

Particulars	For the year ended March 31,				
	2010	**2009**	**2008**	**2007**	**2006**
Wharfage charges	55.44	36.61	38.65	34.11	29.81
Miscellaneous terminalling expenses	56.63	50.46	26.26	19.64	18.54
Auditors' Remuneration	1.50	0.90	0.93	0.99	0.86
Legal and professional charges	81.92	89.99	34.94	18.26	17.32
Travelling and conveyance	41.90	42.84	27.75	22.27	16.44
Provision for doubtful debt/advances	-	0.05	-	0.40	-
General and administrative expenses	21.81	23.63	16.14	10.66	10.46
Loss on sale/discard of fixed assets (net)	-	0.33	-	0.86	0.17
	361.58	**338.99**	**210.70**	**154.78**	**137.92**
INTEREST AND FINANCE CHARGES					
Interest on fixed loans	233.36	172.47	104.91	98.41	91.41
Interest others	125.90	177.83	94.10	5.62	10.89
Other finance charges	37.78	34.88	18.02	12.89	7.97
Less					
Interest received	51.49	42.80	25.96	4.63	2.89
	345.55	**342.38**	**191.07**	**112.29**	**107.38**

IOT Infrastructure & Energy Services Limited

ANNEXURE XIII -A

STANDALONE STATEMENT OF DIVIDEND DECLARED

(Rs. in Million)

Particulars	As at March 31,				
	2010	2009	2008	2007	2006
Equity Shares - Face Value (Rs.)	10	10	10	10	10
- Final Dividend (%)	NIL	NIL	NIL	NIL	NIL
- Final Dividend (Rs. Million)	-	-	-	-	-
- Dividend Tax on Final Dividend (Rs. Million)	-	-	-	-	-

IOT INFRASTRUCTURE & ENERGY SERVICES LTD

ANNEXURE XIV-A

STANDALONE STATEMENT OF TAX SHELTERS

(Rs. In Million)

Particulars	**For the year ended Mar 31,**				
	2010	**2009**	**2008**	**2007**	**2006**
Profit before tax	**716.21**	706.72	518.90	324.82	271.41
Profit before tax as restated	**716.21**	**706.72**	**518.90**	**324.82**	**271.41**
Tax Rate	**33.99%**	**33.99%**	**33.99%**	**33.66%**	**33.66%**
Tax as per Annual Rate on Profits (A)	**243.44**	**240.21**	**176.38**	**109.34**	**91.36**
Adjustments:					
Permanent Differences:					
Capital gain/(losses) on sale of land	-	-	57.49	-	-
Preliminary Expenses written off	-	-	-	(0.50)	(0.50)
Dividend Income exempt under section 10(34) of the Income Tax Act, 1961	(10.01)	(12.51)	(12.51)	(10.00)	(5.92)
Dividend Income exempt under section 10(35) of the Income Tax Act, 1961	(1.65)	(0.04)	(31.88)	-	-
Disallowance of ROC expenses	-	0.00	-		-
Disallowance under section 14A of the Income Tax Act, 1961	0.50	22.98	-	-	-
Charity and Donations	0.07	0.05	0.18	-	-
Others	-	(1.71)	(1.73)	0.40	-
Total Permanent Difference (B)	**(11.09)**	**8.78**	**11.56**	**(10.11)**	**(6.42)**
Timing Difference:					
Difference in depreciation as per Income Tax and as per book of accounts	31.57	23.89	35.37	33.38	33.06
Disallowance under section 43B of the Income Tax Act, 1961	7.63	16.06	10.22	0.06	(0.31)
Provision for retirement benefits					
Disallowance under section 40A of the Income Tax Act, 1961	(16.38)	(4.89)	(9.93)	-	-
Profit/Loss on sale of fixed assets	(26.26)	0.33	(21.43)	(4.79)	0.17
Difference on account of carry forward losses	-	-	-	(123.96)	(297.97)
Total Timing Difference (C)	**(3.45)**	**35.40**	**14.23**	**(95.31)**	**(265.06)**
Net Adjustments (B+C) = D	**(14.53)**	**44.18**	**25.80**	**(105.41)**	**(271.48)**
Tax Savings thereon(at normal rates)	**(4.94)**	**15.02**	**2.25**	**(35.48)**	**(91.38)**
Tax on profits for the year (A - D)	**238.50**	**255.23**	**178.63**	**73.85**	**(0.02)**

IOT Infrastructure & Energy Services Limited

ANNEXURE I-B

CONSOLIDATED RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Million)

	Particulars	As at March 31,				
		2010	2009	2008	2007	2006
A	**Goodwill Arising on Consolidation**	**311.30**	**311.30**	**167.84**	**-**	**-**
B	**Fixed Assets**					
	Gross Block (at cost)	7,020.35	6,656.63	4,470.66	3,936.09	3,730.86
	Less: Depreciation	2,252.35	1,732.44	1,366.55	1,139.30	948.66
	Net Block	**4,768.00**	**4,924.18**	**3,104.11**	**2,796.79**	**2,782.20**
	Capital Work in Progress (including capital advance payments)	376.91	254.32	407.30	178.40	31.14
	Total Fixed Assets	**5,144.91**	**5,178.50**	**3,511.41**	**2,975.19**	**2,813.34**
C	**Assets Held for Disposal**	-	-	-	**15.14**	**10.00**
D	**Investments**	**279.51**	**303.82**	**1.05**	**540.00**	**0.00**
E	**Current Assets, Loans and Advances**					
	Inventories	217.21	154.96	227.04	36.59	27.93
	Sundry Debtors	3,659.70	2,792.32	1,915.51	1,427.70	871.76
	Cash & Bank balances	699.94	1,385.08	1,525.10	355.66	45.20
	Loans and advances	1,148.34	632.59	795.64	220.39	171.21
	Other Current Assets	8,132.05	5,713.95	2,946.80	1,066.63	661.99
		13,857.24	**10,678.91**	**7,410.10**	**3,106.97**	**1,778.09**
F	**Miscellaneous Expenditure (to the extent not written off)**	0.59	0.82	2.14	1.05	**-**
G	**Deferred Tax Assets**	**-**	**-**	**-**	**-**	**0.89**
	Total Assets (A+B+C+D+E+F+G)	**19,593.55**	**16,473.36**	**11,092.55**	**6,638.34**	**4,602.33**
H	**Liabilities & Provisions**					
	Loan Funds					
	Secured Loans	4,160.33	3,815.34	2,198.58	1,604.90	1,496.63
	Unsecured Loans	917.03	958.11	157.03	-	60.00
		5,077.36	**4,773.47**	**2,355.61**	**1,604.90**	**1,556.63**
	Deferred Tax Liability	**393.22**	**377.14**	**418.54**	**423.14**	**374.37**
	Current Liabilities & Provisions					
	Current Liabilities	7,508.31	5,693.55	4,065.69	2,533.21	833.03
	Provisions	230.99	290.28	117.35	74.93	41.62
		7,739.30	**5,983.84**	**4,183.04**	**2,608.14**	**874.65**
	Total Liabilities (H)	**13,209.88**	**11,134.43**	**6,957.19**	**4,636.18**	**2,805.66**

	Particulars	As at March 31,				
		2010	**2009**	**2008**	**2007**	**2006**
I	**Share Application Money (I)**	**-**	**-**	**1.21**	**-**	**-**
J	**Minority Interest (J)**	**647.40**	**338.73**	**176.98**	**86.28**	**79.62**
	Net worth (A+B+C+D+E+F+G)-(H)-(I)-(J)	**5,736.27**	**5,000.21**	**3,957.17**	**1,915.88**	**1,717.05**
	Represented by:					
	Shareholders' funds					
	Share Capital	2,323.83	2,323.83	2,322.86	1,180.00	1,180.00
	Reserves & Surplus	3,412.44	2,676.37	1,634.31	735.88	537.05
	a) Capital Reserve on consolidation	-	-	-	31.99	31.99
	b) Securities Premium Account	457.63	457.63	457.14	-	-
	c) Foreign Currency Translation Reserve	(130.80)	74.09	(4.23)	0.13	-
	c) Debenture Redemption Reserve	-	200.00	160.00	120.00	80.00
	c) General Reserve	312.30	108.02	133.74	34.02	20.00
	d) Profit and Loss account	2,773.31	1,836.64	887.67	549.74	405.06
	Total	**5,736.27**	**5,000.21**	**3,957.17**	**1,915.88**	**1,717.05**

IOT Infrastructure & Energy Services Limited

ANNEXURE II - B

CONSOLIDATED RESTATED STATEMENT OF PROFIT & LOSSES

(Rs. In Million)

Particulars	For the Year Ended March 31,				
	2010	2009	2008	2007	2006
Income					
Income from Operations:					
Terminalling Services	1,218.00	1,070.58	651.31	583.34	581.77
Construction and Engineering Services	13,780.98	14,426.37	9,944.38	4,166.27	2,898.21
Other Sales	219.95	277.39	296.27	338.52	-
Total Income from Operations	**15,218.93**	**15,774.34**	**10,891.96**	**5,088.13**	**3,479.98**
Other income	73.71	111.36	60.29	9.83	11.53
Total Income	**15,292.64**	**15,885.70**	**10,952.25**	**5,097.96**	**3,491.51**
Expenditure					
Cost of Construction and Engineering Services	11,015.92	12,305.72	9,236.48	4,089.93	2,588.21
Personnel expenses	649.52	468.29	211.68	87.40	72.55
Operating and other expenses	805.93	547.98	297.55	211.94	179.81
Operating Expenses	**12,471.36**	**13,321.99**	**9,745.71**	**4,389.27**	**2,840.57**
Profit before interest, depreciation, tax and amortisation (PBIDTA)	**2,821.27**	**2,563.70**	**1,206.54**	**708.69**	**650.94**
Interest and Finance Charges	455.98	396.32	207.50	129.96	121.21
Depreciation	476.79	367.36	214.25	194.65	184.22
Profit Before Tax and Exceptional item	**1,888.50**	**1,800.02**	**784.79**	**384.08**	**345.51**
Exceptional Item	**-**	**-**	**-**	**-**	**-**
Profit before tax, exceptional items and prior period items	**1,888.50**	**1,800.02**	**784.79**	**384.08**	**345.51**
Current Tax (including Fringe Benefit Tax & Wealth Tax)	530.69	544.73	238.75	104.38	27.33
Deferred Tax	12.12	(41.41)	(5.04)	49.66	90.25
Profit before exceptional items and prior period items	**1,345.69**	**1,296.70**	**551.08**	**230.03**	**227.93**
Exceptional items	-	-	-	-	-
Prior Period items	(66.38)	-	-	-	-
Net Profit Before Minority Interest	**1,279.31**	**1,296.70**	**551.08**	**230.03**	**227.93**
Share of Minority Shareholders	**324.20**	**332.30**	**76.20**	**11.22**	**16.14**
Profit after Tax (A)	**955.11**	**964.41**	**474.88**	**218.81**	**211.78**
Adjustments:					
Changes in Accounting Policy	-	-	-	-	-
Effects for incorrect Accounting Policy	-	-	-	-	-
Effects of Auditor's Qualification	-	-	-	-	-
Prior Period Items	66.38	(66.38)	-	-	-
Total Adjustments	**66.38**	**(66.38)**	**-**	**-**	**-**
Total Tax Impact of adjustments	**-**	**-**	**-**	**-**	**-**

Particulars	For the Year Ended March 31,				
	2010	**2009**	**2008**	**2007**	**2006**
Total Adjustments after tax impact (B)	**66.38**	**(66.38)**	**-**	**-**	**-**
Net Profit, as Restated (A+B)	**1,021.49**	**898.03**	**474.88**	**218.81**	**211.78**
Earnings Per Share (Basic & Diluted) (Rs.)	**4.40**	**3.86**	**2.92**	**1.85**	**1.79**

IOT Infrastructure & Energy Services Limited

ANNEXURE III-B

CONSOLIDATED RESTATED STATEMENT OF CASH FLOW

(Rs. In Million)

	Particulars	For the Year Ended March 31,				
		2010	**2009**	**2008**	**2007**	**2006**
A.	**Cash Flow from Operating Activities**					
	Net Profit before tax as restated	**1,888.50**	**1,800.02**	**784.79**	**384.08**	**345.51**
	Adjustment for :					
	Depreciation	476.79	367.36	214.25	194.64	184.22
	Foreign Exchange Gain / Loss Unrealised (Net)	(41.70)	382.06	(7.20)	0.17	-
	(Profit) /Loss on disposal of assets	(33.11)	0.12	(21.43)	(0.35)	0.16
	Diminution in the value of Fixed Assets earlier provided now written back	-	-	-	(5.14)	-
	Contract written back	-	(1.11)	(5.71)	-	-
	Provision for warranty cost(Net)	14.78	(2.58)	28.95	12.00	(21.48)
	Interest Income	(47.32)	(48.13)	(11.68)	4.29	(2.89)
	Profit on sale of current investment	(0.06)	-	(0.01)	-	-
	Interest & Finance charges	478.86	532.60	226.36	126.40	124.23
	Income from Current investment	(4.60)	(0.04)	(32.27)	(1.03)	-
	Provision for Doubtful Debts	-	-	-	0.40	0.72
	Other Income	-	-	-	-	(0.54)
	Liability written back	-	-	-	-	(1.60)
	Sub Total	**843.63**	**1,230.27**	**391.25**	**331.38**	**282.82**
	Operating profit before working capital changes	**2,732.13**	**3,030.29**	**1,176.03**	**715.46**	**628.33**
	Adjustments for:					
	Changes in Trade Debtors	(867.37)	(432.79)	(843.35)	(836.91)	31.59
	Changes in Inventories	(62.24)	126.41	(186.18)	(6.83)	25.06
	Changes in Other Current Assets	(2,418.09)	(1,708.58)	(1,740.42)	(146.28)	(18.17)
	Changes in Other Receivables	(520.52)	69.88	(768.36)	(78.14)	0.79
	Changes in Current liabilities & provisions	2,225.99	(780.47)	1,953.30	1,665.25	6.73
	Cash from operations	**1,089.89**	**304.75**	**(408.97)**	**1,312.54**	**674.34**
	Income Taxes paid	(588.09)	(530.28)	(218.77)	(88.36)	(93.24)
	Net cash from/(used in) operating activities (A)	**501.80**	**(225.53)**	**(627.74)**	**1,224.19**	**581.10**
B	**Cash Flow from Investing Activities**					
	Purchase of Fixed Assets including Capital Work in Progress	(660.37)	(1,626.10)	(791.22)	(364.86)	(81.75)
	Proceeds from Sale of Fixed Assets	67.36	2.27	38.25	70.01	0.81
	Acquisition of Additional stake in Subsidiaries/Business (Acquisitions) / Disposal	-	(125.70)	(199.83)	-	-
	Income from Current investment	4.60	0.04	31.88	1.03	-
	Purchase of investments	25.04	1.02	(0.91)	-	-
	Interest Received	47.32	41.48	28.49	4.36	3.09
	Net cash from/(used in) investing activities (B)	**(516.06)**	**(1,707.01)**	**(893.35)**	**(289.46)**	**(77.85)**

	Particulars	For the Year Ended March 31,				
		2010	**2009**	**2008**	**2007**	**2006**
C.	**Cash Flow from Financing Activities**					
	Proceeds from issue of shares	-	0.25	1,605.59	-	-
	Proceeds from Share Application Money	150.00	-	1.21	-	-
	Proceeds from / (Repayment of) long term borrowings	344.99	1,516.89	637.89	108.27	(65.75)
	Short Term Borrowings (Net)	(687.01)	946.81	157.03	(51.09)	(317.45)
	Interest Paid	(478.86)	(506.02)	(244.45)	(134.46)	(124.50)
	Pre-incorporation expenses	-	-	-	(1.05)	-
	Dividend Paid including dividend tax	-	(165.42)	(6.75)	(5.92)	(5.21)
	Net cash from/(used in) financing activities (C)	**(670.88)**	**1,792.51**	**2,150.52**	**(84.26)**	**(512.90)**
	Net (Decrease) / Increase in cash (A+B+C)	**(685.14)**	**(140.02)**	**629.44**	**850.46**	**(9.65)**
	Cash and cash equivalents at beginning of year	1,385.08	1,525.10	895.66	45.20	54.85
	* Cash and cash equivalents at end of year	699.94	1,385.08	1,525.10	895.66	45.20
	Net (Decrease) / Increase as above	(685.14)	(140.02)	629.44	850.46	(9.65)

Note:
Cash and cash equivalents exclude balance in margin money.
* Cash and cash equivalents, for the year 2007 includes Rs.540 Million in units of mutual funds.

IOT Infrastructure & Energy Services Limited

ANNEXURE IV-B

Statement of Significant Accounting Policies and selected Notes to Consolidated Statements

A. Significant Accounting Policies

1. Principles of Consolidation:

1.1 The Consolidated Financial Statement relates to IOT Infrastructure & Energy Services Limited (Parent Company), its Subsidiaries and Joint Venture Companies. The Consolidated Financial Statements have been prepared on the following basis:

a. The Consolidated Financial Statements of the Parent Company and its Subsidiaries have been compiled on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating the intra-group balances, intra group transactions and unrealised profits or losses in accordance with accounting standard (AS 21) on consolidated financial statements issued by The Institute of Chartered Accountants of India

b. The financial statements of Joint Venture has been combined by applying proportionate consolidation method on a line-by-line basis on items of assets, liabilities, income, and expenses after eliminating proportionate share of unrealised profits or losses in accordance with Accounting Standard (AS-27) on financial reporting of Interests in Joint Ventures issued by The Indian Institute of Chartered Accountants of India

c. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and events in similar circumstances and are presented to the extent possible, in the manner as the Parent Company's separate financial statements

d. The excess/shortfall of the cost to the Parent Company of its investments in the respective Subsidiary and Joint Venture Company is recognised in the financial statements as Goodwill/Capital Reserve respectively as per equity method of valuation.

1.2 The Consolidated Financial Statements includes the results of the following entities:

Sr No.	Name of Company	Country of Incorporation	Proportion of ownership interest as on 31.03.10	Proportion of ownership interest as on 31.03.09	Proportion of ownership interest as on 31.03.08	Proportion of ownership interest as on 31.03.07	Proportion of ownership interest as on 31.03.06
1	Stewarts and Lloyds of India Ltd (S&L)(Subsidiary)	India	55.46%	55.46%	55.46%	55.46%	55.46%
2	IOT Engineering and Construction Services Pte. Ltd (Subsidiary)	Singapore	100.00%	100.00%	100.00%	100.00%	-
3	Indian Oiltanking Engineering and Construction Services LLC. Oman (Subsidiary)	Oman	70.00%	70.00%	70.00%	-	-

Sr No.	Name of Company	Country of Incorporation	Proportion of ownership interest as on 31.03.10	Proportion of ownership interest as on 31.03.09	Proportion of ownership interest as on 31.03.08	Proportion of ownership interest as on 31.03.07	Proportion of ownership interest as on 31.03.06
4	IOT Engineering Projects Ltd (Subsidiary)	India	100.00%	100.00%	26.00%	-	-
5	IOT Anwesha Engineering & Construction Ltd. (Subsidiary)	India	81.00%	81.00%	81.00%	-	-
6	IOT Design & Engineering Ltd (Subsidiary)	India	100.00%	100.00%	100.00%	-	-
7	IOT Mabagas Limited (Formerly known as IOT Cuddalore Construction & Terminalling Ltd.) (Subsidiary)	India	100.00%	100.00%	-	-	-
8	IOT Canada Limited (Subsidiary)	Canada	100.00%	100.00%	-	-	
9	Zuari Indian Oiltanking Limited (ZIOTL) (Joint Venture)	India	50.00%	50.00%	50.00%	50.00%	50.00%
10	IndianOil Skytanking Ltd (Joint Venture)	India	33.33%	33.33%	33.33%	33.33%	-
11	Newsco Directional & Horizontal Drilling Services (Asia) Inc. (Subsidiary of IOT Canada Ltd.)	Canada	49.99%	49.99%	-	-	-
12	IOT Anwesha Engineering & Construction LLC (Subsidiary of IOT Anwesha Engineering & Construction Ltd.)	Oman	70.00%	-	-	-	-
13	IOT Utkal Energy Services Ltd.	India	100.00%	-	-	-	-

2. Other Significant Accounting Policies

Most of the accounting policies of the reporting Company and that of its Subsidiaries, Joint Ventures are similar. These are presented in Standalone Restated Financial Statements under Annexure IV-A, which are reproduced as under:

2.1. General

a. The Company was incorporated on 28 th August, 1996, under the Companies Act, 1956 as Indian Oiltanking Limited and as on 1st December, 2008 it has changed to IOT Infrastructure & Energy Services Ltd. with Corporate Identity Number (CIN) U23200MH1996PLC102222 and is a 50:50 joint venture between Indian Oil Corporation Limited and Oiltanking GmbH Germany. The Company is mainly engaged in the business of Engineering, Procurement and Construction in the field of Refineries, Petrochemicals, Power Plants, etc. , Seismic services and Terminalling services including Operation and maintenance contracts.

b. The financial statements are prepared on the historical cost convention and on the accounting principle of a going concern.

c. Accounting policies not specifically referred to otherwise are consistent and in consonance with the applicable accounting standards.

d. All expenses and income to the extent ascertainable with reasonable certainty are accounted for on accrual basis.

e. The preparation of the financial statements in conformity with generally accepted accounting practices and Accounting Standards as specified in the Companies (Accounting Standards) Rule 2006 prescribed by the Central Goverment requires management to make estimates, the actual results could differ. Any revision to accounting estimates is recognised prospectively and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statement. The recognition, measurement, classification or disclosure of an item or information in the financial statement has been made relying on these estimates.

2.2. Revenue Recognition

Revenue Recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Terminalling Services

Revenues from Terminalling Services are recognised as per contractual terms.

Construction Contracts

Revenues from construction contracts are recognised by reference to the overall estimated profitability of the contract under the percentage of completion method. Foreseeable losses in any contract is provided for 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 costs incurred (includes material fabricated/made especially for the contract/s, inspected and /or approved technically) to the estimated total costs.

Contract costs comprises of all costs that relate directly to the specific contract, incidental costs attributable to the contract including allocated overheads and warranty costs.

Engineering and Seismic Services

Revenues from Engineering and Seismic Services are recognised as per milestones defined in the contracts with clients.

2.3. Fixed Assets

Value of leasehold land is stated at the value of lease premium plus other incidental expenses incurred in relation to the acquisition of such land. Other fixed assets are stated at cost including taxes, duties, freight and other incidental expenses incurred in relation to acquisition and installation of the same. Pre-operative expenses incurred during the construction period upto the date the assets are put into use, are capitalised as cost of fixed assets.

2.4. Impairment of Assets

a. The Company assesses the carrying amount of assets at each Balance Sheet date to determine whether there is any indication of impairment. If such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is estimated as the higher of the net realisable value and the value in use with an impairment loss being recognised whenever the carrying amount exceeds the recoverable amount.

b. A previously recognised impairment loss on assets is reversed if there has been a change in the estimates used to determine the recoverable amount, however not to the extent higher than the carrying amount that would have been determined had no impairment loss been recognised in prior years.

2.5. Depreciation/Amortisation

Value of leasehold land is amortised from the year of commencement of commercial operations of the respective projects over the remaining period of the lease. Cost of Right of Way is amortised over the period for which such Right of Way is granted.

Depreciation on fixed assets is provided in accordance with the rates as specified in schedule XIV of the Companies Act, 1956 on Straight Line Method.

Depreciation in respect of the assets comprising of LPG Terminal & LPG Bottling Plant at Chennai are amortised over the period of ten years as per contractual terms with the client which is lower than the life determined under schedule XIV to the Companies Act, 1956.

2.6. Investments

All long term investments are valued at cost and provision for diminution in value thereof is made wherever such diminution is other than temporary.

All current investments are valued at lower of cost or net fair/market value.

2.7. Inventories

i. Inventories are valued at the lower of cost and net realisable value after providing for obsolescence and other anticipated losses, if any.

ii. Cost in respect of:

   a. Stores and spares is determined on first in first out basis.

   b. Construction materials are determined on first in first out basis.

   Work in progress on construction contracts are valued at cost till a reasonable portion of job is completed and thereafter at realisable value.

2.8. Borrowing Costs

Interest and other borrowing costs incurred on funds borrowed which are attributable to the acquisition or construction of qualifying assets are capitalised as cost of assets, upto the date the asset is ready for its intended use. All other borrowing costs are recognised in the profit and loss account in the period in which they are incurred.

2.9. Foreign Exchange Transactions

Transactions in foreign currency are recorded at the rates of exchange prevailing on the date of the transactions. Foreign currency assets and liabilities are similarly translated at the rates prevalent on Balance Sheet date and the exchange differences are recognised in the profit and loss account.

Exchange difference on long term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of assets.

2.10. Employee Benefits

a. Provident Fund and Pension Fund:

Retirement benefits in the form of Provident Fund / Pension Fund is a defined contribution scheme 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.

b. Gratuity:

Gratuity liability is a defined benefit obligation. The company has taken an insurance policy under the Group Gratuity Scheme with the Insurers to cover the gratuity liability of the employees and the amount paid / payable in respect of the present value of liability of past services is charged to the Profit and Loss Account every year. The difference between the amount paid / payable to Insurers and the actuarial valuation made at the end of each financial year is also charged to Profit and Loss account.

c. Leave Entitlement:

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation.

2.11. Leases

Assets acquired on leases where significant portions of the risks and rewards incidental to the ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit & Loss Account on accrual basis.

2.12 Taxation

a. Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income-tax Act, 1961.

b. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date.

c. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable/virtual certainty that these could be realised in future.

d. Provision for Fringe Benefit Tax has been made in respect of employee benefits and other specified expenses as determined under the Income-tax Act, 1961.

2.13 Provisions, contingent liabilities & contingent assets

(i) Provisions involving substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and it is probable that there will be outflow of resources.

(ii) Provision for warranty costs are made based on technical assessment considering the specific nature of each contract. Such assessments are reviewed periodically and revised considering past experience and actual incurrence. Unutilised provision is reversed on expiry of the warranty period.

(iii) Disclosures for a contingent liability is made, without a provision in books when there is an obligation that may, but probably will not, require outflow of resources.

(iv) Contingent assets are neither recognised, nor disclosed in the financial statements.

2.14 Debt Redemption Reserve

The loan having condition for creating Redemption Reserve, on its repayment, the Redemption Reserve created for the same is to be transferred to General Reserves.

2.15 Employee Stock Option Scheme

The Company follows the fair value per share for computing the compensation cost, for options granted under the scheme. The difference if any, between the fair value per share and grant price being the compensation cost is amortised over the vesting period of the options.

3. All the activities of the Foreign subsidiaries are carried out with the significant degree of autonomy from those of the parent. Accordingly as per the provisions of the AS-11 "Effects of changes in Foreign Exchange rates", these operations have been classified as non-integral operations and therefore all the assets and liabilities, both monetary and non-monetary are translated at the closing rates while the income and expenses are translated at the average rate for the year. The resulting exchange difference are accumulated in the foreign currency translation reserve until the disposal of the net investment.

4. Intangible assets are amortised, on straight line basis commencing from the date, asset is available for its use, over their respective individual estimated useful life as estimated by the management:

Customer Contracts	4 years
Customer relationships, Goodwill	10 years

Goodwill arising on consolidation is not amortised.

B. SELECTED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Contingent Liabilities not provided for in respect of:

(Rs. In Million)

	2010	**2009**	**2008**	**2007**	**2006**
Disputed Income Tax matters	114.89	20.23	17.97	21.57	30.53
Sales Tax matter	0.58	3.67	8.24	22.91	1.89

	2010	2009	2008	2007	2006
Service Tax matter	156.19	159.14	-	-	-
Wealth Tax	0.32	-	-	-	-
Right of way charges, rent & other matters	20.68	16.30	15.08	126.78	14.28
Grampanchayat Tax	58.47	-	-	-	-
Claims against the Company not acknowledged as debts being the amount deducted by the customer from the amount due to the company	0.51	-	0.44	1.81	5.24
Total	**351.63**	**199.35**	**41.73**	**173.07**	**51.95**

Liquidated Damages, as may be levied for completion of certain contracts beyond stipulated time for which negotiations on reasonable grounds are on and of interest, if any, on determination of the above matters, amount of which is presently not ascertainable. In the opinion of the management amount, if any, payable would not be significant.

*In respect of S&L (Subsidiary), there is a litigation filed by a Sub-Contractor before the Civil Judge, Senior Division No.3 at Guwahati. The Company has contested the same, inter alia, on the grounds as legally advised that the same is false and frivolous and filed and action for the recovery against the same Sub - Contractor which is pending before the Calcutta High Court. Both the litigations are pending and sub-judice.

2. Disclosure of provisions as per AS-29 "Provisions, Contingent Liabilities and Contingent Assets" is as follows:

(Rs. In Million)

	2010	2009	2008	2007	2006
Warranty and other Costs	83.02	69.50	77.66	46.98	34.98

3.

(Rs. In Million)

	2010	2009	2008	2007	2006
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) are	207.95	281.31	378.34	68.66	60.07

4. According to the Employee Stock Option Plan (ESOP) 2007, an aggregate of 4,388,373 options representing 4,388,373 equity shares of face value of Rs. 10 each were made available for grant to eligible employees, managing director and non-executive directors except for promoter / director of the Company and its subsidiaries / holding company. These options are available for exercise over a period of 3 years.

Particulars	2010	(Nos. in Million)	
	Managing Director	Others	Total no of Options
Outstanding as at 1st April, 2009 (Nos.)	0.25	2.99	3.24
Granted (Nos.)	-	-	-
Forfeited (Nos.)	-	-	-
Exercised (Nos.)	0.11	0.27	0.38
Lapsed (Nos.)	-	1.20	1.20
Outstanding as at 31st March, 2010 (Nos.)	0.14	1.52	1.66

The estimated fair value computed on the basis of Black Scholes pricing model, of each stock option granted for Performance ESOPs is within the range of Rs 4.43 to Rs. 4.83 per option. The key assumptions used to estimate the fair value of options are:

Risk Free Interest Rate	8.07%

Expected Life	4 years
Expected Volatility	NIL
Expected dividend yield	NIL

Particulars	2009	(Nos. in Million)	
	Managing Director	Others	Total no of Options
Outstanding as at 1st April, 2008 (Nos.)	0.25	3.36	3.61
Granted (Nos.)	-	0.32	0.32
Forfeited (Nos.)	-	-	-
Exercised (Nos.)	-	0.02	0.02
Lapsed (Nos.)	-	0.67	0.67
Outstanding as at 31st March, 2009 (Nos.)	0.25	2.99	3.24

The estimated fair value computed on the basis of Black Scholes pricing model, of each stock option granted for Performance ESOPs is within the range of Rs 5.18 to Rs. 8.40 per option. The key assumptions used to estimate the fair value of options are:

Risk Free Interest Rate	8.07%
Expected Life	4 years
Expected Volatility	NIL
Expected dividend yield	NIL

Particulars	2008	(Nos. in Million)	
	Managing Director	Others	Total no of Options
Outstanding as at 1st April, 2007 (Nos.)	0.25	4.14	4.39
Granted (Nos.)	-	-	-
Forfeited (Nos.)	-	-	-
Exercised (Nos.)	-	0.08	0.08
Lapsed (Nos.)	-	0.69	0.69
Outstanding as at 31st March, 2008 (Nos.)	0.25	3.36	3.61

The estimated fair value computed on the basis of Black Scholes pricing model, of each stock option granted for Performance ESOPs is within the range of Rs 5.18 to Rs. 8.40 per option. The key assumptions used to estimate the fair value of options are:

Risk Free Interest Rate	8.07%
Expected Life	4 years
Expected Volatility	NIL
Expected dividend yield	NIL

5.

(Rs. In Million)

	2010	2009	2008	2007	2006
Additional claims recognised by company in respect of extra work/s carried out, which was not included in the original contract entered by the company.	1,226.50	678.25	99.63	39.48	39.48
Dues from Indian Oil Corporation (Associate Company), included above	1,143.80	610.50	72.00	39.48	39.48

6.

(Rs. In Million)

		2010	2009	2008	2007	2006
a.	The net exchange fluctuations arising on foreign currency transactions credited to other income	11.41	99.12	-	-	-
	The net exchange fluctuations arising on foreign currency transactions debited to General and Administrative Expenses	-	-	1.81	0.08	2.55
	Foreign currency exchange difference on amounts borrowed for acquisition of fixed assets adjusted to the carrying cost of fixed assets	14.78	16.98	-	-	-

b. IOT Canada Limited ((subsidiary) through a share purchase agreement, entered in August 2008, acquired, Newsco Directional & Horizontal Drilling Services (Asia) Inc. (Step-down subsidiary). The agreement calls for a purchase of 100% of the outstanding shares of Newsco Asia over a 36 month period. In the first stage of the acquisition the Company acquired 49.99% of the outstanding shares of the company for consideration of (USD 10 Million) approx. Rs.42,10,00,000 in cash and (USD 6.136 Million) approx. 32,04,50,000 promissory notes. The second stage of the acquisition was to occur when the company pays (USD 6.75 Million) approx. Rs.5,73,85,500 in March of 2010. However, the second stage payment was made in April, 2010, subsequent to the year end with a purchase price adjustment of USD 916,501 resulting in a net payment of USD 5,833,499. The adjustment reduced previously recorded goodwill by USD 916,501.

The third and final stage of the acquisition shall occur on September 14, 2011 with an additional payment of (USD 6.75 Million). The results of operations of this step-down subsidiary have been consolidated from the date of acquisition by IOT Canada Limited. A unanimous shareholders' agreement in place between the Newsco Asia Inc. and the Newsco Inc. Canada reflects IOT's 100% entitlement to all of the income and gains derived from, and to be derived from, the business effective on the initial date i.e.15th August, 2008.

7. **Segment Reporting**

i. Primary segments (business segments)

The Company's operations comprise of (i) terminalling services from own terminals and operations and maintenance services in respect of clients' terminals and (ii) construction and engineering services. The revenues, expenses, assets and liabilities under the reportable segments are tabulated below.

(Rs. in Million)

		March 2010			March 2009			March 2008			March 2007			March 2006		
		Terminalling	Construction & Engineering	Total	Terminalling	Construction & Engineering	Total	Terminalling	Construction & Engineering	Total	Terminalling	Construction & Engineering	Total	Terminalling	Construction & Engineering	Total
a.	Revenue from external customers	1218.00	14000.93	15218.93	1070.58	14703.76	15774.34	651.31	10240.65	10891.96	583.34	4504.79	5088.13	581.77	2898.21	3479.98
b.	Segment results	420.23	1903.87	2324.10	407.42	2006.57	2413.99	262.42	911.65	1174.07	241.89	334.23	576.11	255.65	261.53	517.18
	Less : Unallocable expenses net of unallocable income			46.00			217.64			131.66			56.28			47.41
	: Interest			455.98			396.32			257.63			135.76			124.26
	Profit before tax			1822.12			1800.02			784.79			384.08			345.51
	Provision for taxation (current and deferred)			542.81			502.87			233.59			154.04			117.58
	Profit after tax			1279.31			1297.15			551.19			230.03			227.93
c.	Carrying amount of Segment Assets	3215.63	12946.61	16162.24	4042.14	8928.81	12970.96	2908.64	7267.57	10176.21	2662.76	2690.36	5353.12	2756.77	1539.65	4296.43
	Unallocated Assets			3172.86			3239.18			773.12			1285.23			305.90
	Total Assets			19335.10			16210.14			10949.33			6638.34			4602.33
d.	Carrying amount of Segment Liabilities	1785.71	7249.72	9035.42	1896.77	4533.91	6430.67	1681.40	4279.60	5961.00	247.79	1038.06	1285.84	224.74	779.59	1004.33
	Unallocated Liabilities			4227.32			3147.80			863.78			3350.34			1801.33
	Total Liabilities			13262.74			9578.48			6824.78			4636.18			2805.66
e.	Cost incurred to acquire Segment fixed assets during the year	56.98	484.03	541.01	492.50	1428.22	1920.71	216.17	541.87	758.04	19.22	126.65	145.87	13.54	40.70	54.24
	Unallocated acquisitions			4.26			5.33			26.65			59.36			3.73
	Total			545.27			1926.04			784.69			205.23			57.97
f.	Depreciation / Amortisation	220.42	249.50	469.92	216.32	143.69	360.01	173.34	34.64	207.98	172.71	16.26	188.97	169.72	10.22	179.94
	Unallocable Depreciation / Amortisation			6.87			7.35			6.28			5.67			4.28
	Total			476.79			367.36			214.25			194.64			184.22

ii. **Secondary segment (geographic segments)**

The Companies operations are being carried in (i)India & other countries (ii) Oman. The revenues, expenses, assets and liabilities under these secondary segments are tabulated below.

(Rs. In Million)

		March 2010			March 2009			March 2008			March 2007			March 2006		
		Terminalling	Construction & Engineering	Total	Terminalling	Construction & Engineering	Total	Terminalling	Construction & Engineering	Total	Terminalling	Construction & Engineering	Total	Terminalling	Construction & Engineering	Total
a.	Revenue from external customers	3125.80	12093.13	15218.93	3518.41	12255.94	15774.34	1772.82	9119.14	10891.96	0.00	5088.13	5088.13	3466.64	13.34	3479.98
b.	Carrying amount of Segment Assets	3211.76	12950.48	16162.24	1511.76	11459.19	12970.96	765.74	9410.46	10176.21	0.00	5353.12	5353.12	4602.33	0.00	4602.33

ANNEXURE IV-BI

CONSOLIDATED RESTATED FINANCIALS

Statement of Related Party Transactions

In accordance with the requirements of Accounting Standard 18, "Related Party Disclosures" as notified under the Companies Act, 1956, the details of related party transactions are given below:

Details of transactions with promoters / promoter group / group companies and key managerial personnel:

a. Name of the related parties with whom transactions have taken place during the year 2006, 2007, 2008, 2009 & 2010

(i) Parties where control exists - Nil

(ii) Other Related Parties with whom the Company has entered into transactions during the year :

Associates
Indian Oil Corporation Limited
Oiltanking GmbH
Oiltanking Singapore

Joint Venture - Nil

Directors and Key Management Personnel
Mr. Jayanta Bhuyan, Managing Director

Note : Related Parties are as identified by the Company and relied upon by the Auditors.

b. Details of transactions with the Related Parties in the ordinary course of business

(Rs. In Millions)

		For the year ended March 31,				
		2010	**2009**	**2008**	**2007**	**2006**
(i)	Associates					
	With IOCL					
	Terminalling services charges received/receivable	16.55	58.01	51.05	132.69	193.93
	Construction and engineering services rendered	7,159.93	6,372.60	4,156.69	1,780.12	1,176.28
	Recoverable expenditure	339.62	879.43	1.64	6.79	20.09
	Rent paid	-	-	-	0.02	0.04
	Dividend paid	-	-	-	-	29.50
	With Oiltanking GmbH					
	Engineering Services received/receivable	-	0.41	-	1.21	13.13
	Terminalling software services	2.84	-	-	-	-
	Reimbursement of expenditure	1.12	6.84	2.65	1.74	0.73
	Pruchase of Fixed Assets	-	-	-	-	0.36
	Dividend paid	-	-	-	-	29.50
	OT Singapore					
	O & M Services rendered	-	0.21	-	-	-
(ii)	Directors / Key Management Personnel					

		For the year ended March 31,				
		2010	2009	2008	2007	2006
	Remuneration to Managing Director	5.28	5.10	4.77	2.77	2.76

c. Outstanding balances in respect of the Related Parties

		For the year ended March 31,				
		2010	2009	2008	2007	2006
	Associates					
	Receivables(from IOCL)	354.27	566.11	405.96	636.02	393.09
	Receivables(from OT Singapore)	0.06	0.06	-	-	-
	Payable to OT	-	5.90	2.07	-	-
	Receivable from OT	1.12	-	-	0.35	1.80
	Advance Received from (IOCL)	262.51	521.49	713.88	1,072.78	-

d. Amounts pertaining to related parties written off/(Written Back): (Net)

		For the year ended March 31,				
		2010	2009	2008	2007	2006
	Indian Oil Corporation Ltd	-	0.09	-	0.03	(0.21)

IOT Infrastructure & Energy Services Limited

ANNEXURE V -B

CONSOLIDATED STATEMENT OF SUNDRY DEBTORS

(Rs. In Million)

Particulars	As at March 31,				
	2010	2009	2008	2007	2006
Unsecured, considered good Outstanding for a period:					
Not exceeding Six Months	2,947.27	2,007.73	1,294.23	1,245.01	723.17
Exceeding Six Months	712.43	784.59	621.28	182.69	148.59
Total	**3,659.70**	**2,792.32**	**1,915.51**	**1,427.70**	**871.76**
Out of above					
Amount Due from Promoters/Promoters group companies and Directors included in Sundry Debtors					
- Indian Oil Corporation Limited	354.27	566.11	405.96	636.02	393.09
- OT - Gmbh	1.12	-	-	0.35	1.80
Total	**355.39**	**566.11**	**405.96**	**636.37**	**394.89**
Amount Due from Group companies included in Sundry Debtors:					
- IBP Company Limited	2.61	4.88	5.81	10.35	14.54
- CPCL	40.03	38.02	31.84	36.60	17.16
- OT - Singapore	0.06	0.06	0.09	-	-
Total	**42.70**	**42.96**	**37.73**	**46.95**	**31.70**

IOT Infrastructure & Energy Services Limited

ANNEXURE VI -B

CONSOLIDATED STATEMENT OF LOANS AND ADVANCES GIVEN

(Rs. In Million)

Particulars	As at March 31,				
	2010	2009	2008	2007	2006
Loans & Advances					
Unsecured, Considered Good					
Advances recoverable in cash or in kind or for value to be received	1,073.39	548.76	619.25	144.07	66.69
Advance against Equity	4.01	13.13	100.00	-	-
Prepaid Expenses	2.92	-	-	-	-
Deposits with Government Authorities & Others	66.27	70.69	50.89	19.58	9.63
Advance Income Tax (Net of Provisions)	-	-	25.11	56.74	72.64
Advance FBT (Net of Provisions)	0.02	0.01	(0.03)	(0.00)	(0.09)
MAT Credit Entitlement	1.73	-	0.43	-	22.35
Total	**1,148.34**	**632.59**	**795.64**	**220.39**	**171.21**
Advance to Directors/Promoters/Promoters Group	**-**	**-**	**-**	**-**	**-**
Advance to group Companies/associates	**-**	**-**	**-**	**-**	**-**

ANNEXURE VII - B

CONSOLIDATED STATEMENT OF INVESTMENTS

(Rs. In Million)

Particulars	As at March 31,				
	2010	2009	2008	2007	2006
Schedule VI : Investments (Valued at cost)					
Long Term - Unquoted					
Equity Shares, fully paid up					
10000 Equity share @ 10/- each in Gen Secure Technologies Pvt. Ltd.	0.10	-	-	-	-
15000 - Common CLASS 'A' Shares in Newsco Directional Support Services Inc	268.98	303.82	-	-	-
Subtotal	**269.08**	**303.82**	**-**		**-**
Current Investment in Units of Mutual Fund (Unquoted)	**10.43**	**-**	**1.05**	**540.00**	**-**
TOTAL	**279.51**	**303.82**	**1.05**	**540.00**	**-**
Aggregate cost of quoted investments	-	-	-	-	-
Market value of quoted investments	-	-	-	-	-
Aggregate amount of unquoted investments	**279.51**	**303.82**	**1.05**	**540.00**	**-**

IOT Infrastructure & Energy Services Limited

ANNEXURE VIII-B

CONSOLIDATED STATEMENT OF ACCOUNTING RATIOS

Particulars		As at March 31,				
		2010	2009	2008	2007	2006
Net worth (Rs. Million)	A	5,736.27	5,000.21	3,957.17	1,915.88	1,717.05
Restated Profit after Tax (Rs. Million)	B	1,021.49	898.03	474.88	218.81	211.78
No. of Shares outstanding at the end of the year (Million Nos)	C	232.38	232.38	232.29	118.00	118.00
Weighted average number of shares outstanding (Basic & Diluted) (Million Nos)	D	232.38	232.37	162.43	118.00	118.00
Earnings per Share (Basic & Diluted) (Rs.)	**B/D**	**4.40**	**3.86**	**2.92**	**1.85**	**1.79**
Return on Net worth (%)	**B/A**	**17.81%**	**17.96%**	**12.00%**	**11.42%**	**12.33%**
Net Asset Value per Share (Rs./Share)	**A/C**	**24.68**	**21.52**	**17.04**	**16.24**	**14.55**

Note:
Ratios have been computed as below:

1 Earnings per share – (Basic) (Rs.) = Net Profit as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year.
2 Earnings per share – (Diluted) (Rs.) = Net Profit as restated attributable to equity shareholders / Weighted average number of diluted potential equity shares outstanding.
3 Return on Net worth (%) = Net Profit after tax, as restated / Net worth at the end of the year.
4 Net asset value per equity share (Rs.) = Net worth at the end of the year / Number of equity shares outstanding at the end of the year

IOT Infrastructure & Energy Services Limited

ANNEXURE IX-B

CAPITALISATION STATEMENT OF THE COMPANY

(Rs. In Million)

Particulars	Pre-Issue as at Mar 31, 2010	Post Issue *
Short Term Debt	2,651.11	
Long Term Debt	2,426.25	
Total Debt	**5,077.36**	
Equity Share Capital	2,323.83	
Reserves	3,412.44	
Total Shareholders' Fund	**5,736.27**	
Long Term Debt to Total Shareholders' Fund	**0.42:1**	

1 *Will be calculated after finalisation of issue Price

2 Short Term Debts represent debts, which are due within twelve months from March 31, 2010 and include current portion of Long Term Debt.

3 Long Term Debts are Debts other than Short Term Debts as defined above.

IOT Infrastructure & Energy Services Limited

ANNEXURE X-B

CONSOLIDATED STATEMENT OF CHANGES IN SHARE CAPITAL

Particulars	As at March 31,				
	2010	2009	2008	2007	2006
Share Capital					
Authorised Share Capital					
No. of Equity Share of Rs. 10 each (Million Nos)	300.00	300.00	300.00	300.00	300.00
Amount (Rs. In Million)	**3,000.00**	**3,000.00**	**3,000.00**	**3,000.00**	**3,000.00**
Issued, Subscribed & Paid Up					
No. of Equity Shares at the beginning of the year (Million Nos)	232.38	232.29	118.00	118.00	118.00
Add: Fresh Issue of Equity Shares (Million Nos) - To Promoters	-	-	114.29	-	-
Add: Fresh Issue of Equity Shares (Million Nos) - To Others - ESOPs	-	0.09	-	-	-
No. of Equity Shares at the end of the year (Million Nos)	232.38	232.38	232.29	118.00	118.00
Amount (Rs. Million)	**2,323.83**	**2,323.83**	**2,322.86**	**1,180.00**	**1,180.00**

IOT Infrastructure & Energy Services Limited

ANNEXURE XI – B

CONSOLIDATED RESTATED STATEMENT OF EXPENSES

(Rs. In Million)

Particulars	For the Year Ended March 31,				
	2010	**2009**	**2008**	**2007**	**2006**
Personnel:					
Salaries and allowances	607.83	432.74	192.15	75.55	60.28
Contribution to provident and other funds	19.08	16.66	7.37	4.56	5.90
Staff welfare expenses	22.61	18.89	12.16	7.29	6.37
	649.52	**468.29**	**211.68**	**87.40**	**72.55**
COST OF CONSTRUCTION AND ENGINEERING SERVICES:					
Construction materials	6,301.26	6,608.23	3,457.41	957.55	913.35
Sub-contracting costs	3,234.13	4,073.49	4,950.09	2,680.40	1,334.87
Salaries and allowances	719.85	654.09	329.03	171.35	99.90
Contribution to provident and other funds	39.88	24.50	13.32	8.31	6.14
Staff welfare expenses	29.30	19.19	16.28	9.65	7.45
Rent	21.56	16.30	30.06	22.30	31.60
Rates and taxes	133.63	30.89	46.51	58.25	40.65
Repairs and maintenance	10.03	6.34	2.64	2.00	2.07
Insurance	16.25	11.87	9.57	8.06	4.70
Communication expenses	10.59	11.41	11.50	7.58	5.77
Legal and professional charges	186.74	263.12	166.41	15.26	10.75
Travelling and conveyance	88.39	79.78	60.30	43.18	33.19
Excise on finished goods	-	0.47	-	-	-
General and administrative expenses	204.61	454.52	164.57	96.58	48.09
Increase/(Decrease) in provision for warranty and other costs	13.88	0.16	30.69	12.00	-21.48
(Increase)/Decrease in work-in-progress at cost					
Opening work-in-progress	32.50	57.71	11.53	8.99	80.15
Closing work-in-progress	-26.68	-6.35	-63.43	-11.53	-8.99
	11,015.92	**12,305.72**	**9,236.48**	**4,089.93**	**2,588.21**
OPERATING AND OTHER EXPENSES:					
Airport Operator Fee	142.28	-	-	-	-
Power and fuel	42.67	38.22	27.44	30.14	20.53
Rent	42.20	45.94	26.72	14.43	11.36
Rates and taxes	19.83	10.88	5.89	3.99	1.93
Outsource Manpower Cost	1.17	1.34	1.26	1.05	1.06
Consumables	4.31	2.16	1.44	1.26	2.12
Insurance	8.25	9.31	7.06	5.60	5.88
Repairs and maintenance	-	-	-	-	-
Buildings	2.20	7.42	6.81	5.31	4.44
Plant and machinery	21.05	18.54	13.82	10.60	13.45
Others	50.13	37.45	15.14	9.86	7.96
Advertising	-	-	-	-	-

Particulars	For the Year Ended March 31,				
	2010	2009	2008	2007	2006
Communication expenses	15.15	14.15	8.70	5.11	4.73
Wharfage charges	55.44	36.61	38.65	34.11	29.81
Miscellaneous terminalling expenses	67.35	51.45	27.87	21.23	19.65
Auditors' Remuneration	3.73	2.76	2.09	1.83	1.50
Legal and professional charges	116.47	118.15	41.75	20.50	18.46
Travelling and conveyance	71.74	68.57	39.64	29.66	21.10
Provision for doubtful debt/advances	10.77	0.28	-	0.40	0.72
General and administrative expenses	82.55	84.29	33.25	15.80	14.44
Provision for diminution in the value of assets	-	-	-	-	-
Loss on sale / discard of fixed assets (net)	0.25	0.39	-	0.86	0.17
Bad Debts Written Off	30.65	-	-	-	0.50
Renovation to leased office	-	-	-	0.20	-
Foreign Exchange loss	10.09	-	-	-	-
Preliminary Expenses & Shares Expenses W/off	7.65	0.07	0.02	-	-
	805.93	**547.98**	**297.55**	**211.94**	**179.81**
INTEREST AND FINANCE CHARGES:					
Interest on fixed loans (net)	282.21	246.30	123.27	107.73	101.78
Interest others	171.52	181.04	114.78	14.63	13.82
Other finance charges	52.98	52.45	19.58	13.40	8.66
Less:					
Interest Received	50.73	83.47	50.13	5.80	3.05
	455.98	**396.32**	**207.50**	**129.96**	**121.21**

IOT Infrastructure & Energy Services Limited

ANNEXURE XII -B

CONSOLIDATED STATEMENT OF DIVIDEND DECLARED

(Rs. in Million)

Particulars	As at March 31,				
	2010	2009	2008	2007	2006
Equity Shares - Face Value (Rs.)	10	10	10	10	10
- Final Dividend (%)	NIL	NIL	NIL	NIL	NIL
- Final Dividend (Rs. Million)	-	-	-	-	-
- Dividend Tax on Final Dividend(Rs. Million)	-	-	-	-	-

IOT Infrastructure & Energy Services Ltd.

ANNEXURE XIII-B

CONSOLIDATED STATEMENT OF TAX SHELTERS

Particulars	For the Year Ended March 31,				
	2010	2009	2008	2007	2006
Profit before tax	**1,888.50**	**1,800.02**	**784.79**	**384.08**	**345.51**
Dividend from Foreign Subsidiaries	384.92	370.26	7.21	8.36	-
Total profit before tax as restated	**2,273.42**	**2,170.29**	**792.00**	**392.44**	**345.51**
Tax Rate	33.99%	33.99%	33.99%	33.66%	33.66%
Tax as per Annual Rate on Profits (A)	**772.73**	**737.68**	**269.20**	**132.10**	**116.30**
Adjustments:					
Permanent Differences:					
Capital gain/(losses) on sale of land	-	-	57.49	-	-
Deduction under section 80 of the Income Tax Act, 1961	-	-	-	-	-
Income from Investments in Partnership firms exempt under section 10 (2A) of Income Tax Act, 1961	-	-	-	-	-
Preliminary Expenses written off	(0.80)	0.84	-	(0.50)	(0.59)
Allowance of expenditure in Tax Return	-	-	-	-	-
Dividend Income exempt under section 10(34) of the Income Tax Act, 1961	(10.01)	(12.51)	(12.91)	(10.00)	(5.92)
Dividend Income exempt under section 10(35) of the Income Tax Act, 1961	(1.82)	(0.04)	(31.88)	-	-
Profit chargeable to tax under section 41 of the Income Tax Act, 1961	-	-	-	-	-
Disallowance of ROC expenses	7.59	0.25	-	-	-
Disallowance under section 14A of the Income Tax Act, 1961	0.64	23.02	-	-	-
Charity and Donations	0.62	0.26	0.19	-	-
Difference due book profit and taxable income under section 115JB of the Income Tax Act,1961	-	-	-	-	-
Difference in Tax Rates of foreign Subsidiaries	(818.28)	(699.58)	(152.68)	-	-
Others	(9.16)	11.38	27.73	12.04	9.73
Total Permanent Difference (B)	**(831.22)**	**(676.37)**	**(112.04)**	**1.53**	**3.22**
Timing Difference:					
Difference in depreciation as per Income Tax and as per book of accounts	48.26	16.11	31.63	22.18	23.88
Disallowance under section 43B of the Income Tax Act, 1961	24.24	27.12	19.51	6.85	3.68
Deduction claimed under the provisions of Income Tax Act, 1961	-	-	-	-	-
Disallowance under section 40A of the Income Tax Act, 1961	(16.38)	(4.86)	(20.93)	-	0.01
Difference due to restatement adjustments	-	-	-	-	-
Profit/Loss on sale of fixed assets	(33.33)	(0.14)	(21.43)	(4.79)	0.17
Difference on account of carry forward losses	60.68	37.24	(9.43)	(137.73)	(308.32)
Total Timing Difference (C)	**83.46**	**75.48**	**(0.64)**	**(113.48)**	**(280.58)**
Net Adjustments (B+C) = D	**(747.76)**	**(600.89)**	**(112.69)**	**(111.95)**	**(277.36)**

Particulars	For the Year Ended March 31,				
	2010	2009	2008	2007	2006
Tax Savings thereon (at normal rates)	**(254.16)**	**(204.24)**	**(51.32)**	**(37.68)**	**(93.36)**
Tax on profits for the year (A - D)	**518.57**	**533.44**	**217.88**	**94.41**	**22.94**

IOT Infrastructure & Energy Services Limited

ANNEXURE - XIV

CONSOLIDATED STATEMENT OF SECURED LOANS

I IOT STANDALONE

(Rs. In Million)

Particulars		As at March 31,				
		2010	**2009**	**2008**	**2007**	**2006**
A)	**Long Term Loans**					
1	**State Bank of Maharashtra**	98.07	134.58	171.10	207.62	244.14
	Facility Limit: INR 328.7 mn					
	Rate of Interest (Sanction): 7.20%					
	Rate of Interest (Present): 8.70%					
	Repayment: INR .Rs.91.30 Lakhs per quarter					
	Security: Secured by first and exclusive charge by way of hypothecation over the borrowers present and future movable plants and/or machineries related to the Company's LPG terminal project at Chennai, Tamil Nadu					
2	**Term Loan from State Bank of India**	601.90	596.20			
	Facility Limit: INR 650 mn					
	Rate of Interest (Sanction): 13.25%					
	Rate of Interest (Present): 11.25%					
	Repayment: -in 3 annual instalments after an initial moratorium of 15 months commencing from November 2008.					
	Security: Secured by first charge by way of mortgage on the immovable properties (specific land and buildings situated at Mumbai, Maharashtra) and second charge on the Company's current assets.					
						-
3	**Term Loan from The Dhanalakshmi Bank Ltd**	**1,110.00**				
	Facility Limit: INR 1110 mn					
	Rate of Interest (Sanction): 8.75%					
	Rate of Interest (Present): 8.75%					
	Repayment: - Eight half yearly installment commencing from Feb 2011 to August 2014 amounting to Rs. 850 mn and Eight half yearly instalments commencing from April 2011 to October 2014 amounting to Rs. 260 mn					
	Security: Secured by first charge by way of hypothecation of the Plant & Machinery of the Navghar Terminal of the Company situated at Navghar, Dronagiri Node, Uran Talk, Dist. Raigad, Maharashtra					

Particulars		As at March 31,				
		2010	**2009**	**2008**	**2007**	**2006**
4	Term loan from State Bank of Bikaner & Jaipur	**114.52**	131.98	131.70		
	Facility Limit: INR 156.2 mn					
	Rate of Interest (Sanction): 9.95%					
	Rate of Interest (Present): 9.20%					
	Repayment::-in 36 quarterly installments of Rs.43.39 Lakhs each					
	Security: Secured by first charge by way of hypothecation plants and/or machineries related to the Company's LPG terminal project at Chennai, Tamil Nadu					
5	**Standard Chartered Bank Buyers Credit**	**55.22**	80.12			
	Facility Limit: JPY 153 mn					
	Rate of Interest (Sanction): 1.605%					
	Rate of Interest (Present): 0.954%					
	Repayment: -in 8 equal quarterly installments of JPY 19.125 mn commencing from July 2009 to July 2011.					
	Security: Secured by first and exclusive charge on the specific Construction equipment financed by the Bank.					
6	**State Bank of Saurashtra**		550.00	550.00	550.00	550.00
	Facility Limit: INR 550 mn					
	Rate of Interest (Sanction): 7.75%					
	Rate of Interest (Present): Not applicable					
	Repayment: Bullet repayment at the end of 6 years					
	Security: Secured by pari passu first charge by way of hypothecation of the movable assets of the Navghar Terminal of the Company situated at Navghar, Dronagiri Node, Uran Taluk, Dist. Raigad, Maharashtra					
7	**Allahabad Bank**		564.00	564.00	564.00	564.00
	Facility Limit: INR 564 mn					
	Rate of Interest (Sanction): 6.50%					
	Rate of Interest (Present): Not applicable					
	Repayment: Bullet repayment at the end of 5 years					
	Security: Secured by pari passu first charge by way of hypothecation of the movable assets of the Navghar Terminal of the Company situated at Navghar, Dronagiri Node, Uran Taluk, Dist. Raigad, Maharashtra					
B)	**Short Term Loans**					

Particulars		As at March 31,				
		2010	**2009**	**2008**	**2007**	**2006**
1	**State Bank of India - CAG**	95.20	47.18	294.42	1.72	3.41
	Facility Limit: INR 2,500 Million					
	Rate of Interest (Present): 11.75%					
	Security: Secured by way of hypothecation of all present and future inventories, book debts and all other current assets of the company and second charge on the movable fixed assets of the company.					
2	**Bank**					
	State Bank of India - WCDL	1,004.80	1,000.00			
	Facility Limit: Included in B.1 above					
	Rate of Interest (Present): 5.75%					
	Security: Secured by way of hypothecation of all present and future inventories, book debts and all other current assets of the company and second charge on the movable fixed assets of the company.					
	Total	**3,079.71**	**3,104.07**	**1,711.23**	**1,323.34**	**1,361.56**

II S&L

Particulars		As at March 31,				
		2010	**2009**	**2008**	**2007**	**2006**
A)	**Long Term Loans**	**-**	-			
B)	**Short Term Loans**					
	Working Capital Borrowings from Banks (cash Credit Facilities from consortium banks)	287.74	201.70	158.50	152.30	2.60
	Facility Limit:	**30 crores**	**25 crores**	**22.70 crores**	**20 crores**	**10 crores**
	Rate of Interest (Sanction):	**(11.50%-12.50%)**	**(12.00%-13.75%)**	**(11.75%-13.75%)**	**(11.50%-13.75%)**	**(8.75% - 13.00%)**
	Rate of Interest (Present):	**(7.25%-12.50%)**	**(11.75%-13.75%)**	**(9.50%-13.75%)**	**(9.50%-13.75%)**	**(8.75%-13.00%)**
	Repayment: Cash Credit facilities are renewable every year based on annual CMA Data as provide by Company and assessed by the Consortium Banks comprises four members namely - State Bank of India (Lead Bank), HDFC Bank Ltd., Bank of Baroda and Axis Bank L					
	Security: Secured by pari passu first charge among Working Capital Bankers on the whole of the hypothecated current assets					

Particulars		As at March 31,				
		2010	2009	2008	2007	2006
	and movable assets including plant and Machinery (other than Propane Gas Project at Jamshedpur), both present and future.					
	Total	**287.74**	**201.70**	**158.50**	**152.30**	**2.60**

III IOSL

Particulars		As at March 31,				
		2010	2009	2008	2007	2006
A)	**Long Term Loans**					
1	**Punjab National Bank(Foreign Currency Term Loan)**	152.43	159.03	162.32	-	-
	Facility Limit: 500 MN					
	Rate of Interest (Sanction): LIBOR+1.90%					
	Rate of Interest (Present): LIBOR+1.90%					
	Repayment: 40 quarterly instalments commencing from June,2008.					
	Security: Secured against the hypothecation of moveable assets of the company, inventory, present and future and assignment of payment rights to collect from user for provision of various services under various contracts entered or to be entered into by BIAL with users, under multiple banking arrangement, ranking pari passu.					
2	**Punjab National Bank (Rupee Term Loan)**	4.84	5.03	37.02	-	-
	Facility Limit: Included in A.1 above					
	Rate of Interest (Sanction): PNB PLR (12.50%)					
	Rate of Interest (Present): PNB PLR (11%)					
	Repayment: 40 quarterly instalments commencing from June, 2008.					
	Security: Secured against the hypothecation of moveable assets of the company, inventory, present and future and assignment of payment rights to collect from user for provision of various services under various contracts entered or to be entered into by BIAL with users, under multiple banking arrangement, ranking pari passu.					
3	**State Bank of India (Rupee Term Loan)**	63.30	65.88	-	-	-
	Facility Limit: INR200 Mn					
	Rate of Interest (Sanction): (13%)					
	Rate of Interest (Present): SBI PLR (11.75%)					
	Repayment: 40 quarterly instalments commencing from June,2008.					
	Security: Secured against the hypothecation of moveable assets of the company, inventory, present and future and assignment of payment rights to collect from user for provision of various services under various contracts entered or to be entered into by BIAL with users, under multiple banking arrangement, ranking pari					

Particulars		As at March 31,				
		2010	2009	2008	2007	2006
	passu.					
B)	**Short Term Loan**	-	-	-	-	-
	Total	**220.56**	**229.95**	**199.34**	**-**	**-**

IV IOTEP

Particulars		As at March 31,				
		2010	2009	2008	2007	2006
A)	**Long Term Loans**					
1	**IDBI**	110.90	60.00	-	-	-
	Facility Limit: 160 MN					
	Rate of Interest (Sanction): 60 Mn @ 12% and 100 Mn @ 11.25%					
	Rate of Interest (Present): 60 Mn @ 12% and 100 Mn @ 11.25%					
	Repayment: in 30 equal monthly installments after a initial moratorium of 6 months from the date of disbursement					
	Security Term Loan from IDBI Bank Ltd is secured by first charge on the company' s fixed assets and second charge on current assets of the company including Stock & Book Debts.					
2	**HDFC Vehicle Loan**	0.31	0.51	0.69	-	-
	Facility Limit: 0.80 MN					
	Rate of Interest (Sanction):					
	Rate of Interest (Present):					
	Repayment: INR payable in 48 equal monthly instalments payable on 5th of every month amounting of Rs 21,595/- each.					
	Security Vehicle Loan (HDFC Bank LTD) is secured against hypothecation of vehicle purchased there against					
B)	**Short Term Loans**					
1)	**IDBI Bank CCA/c**	217.30	44.51	-	-	-
	Facility Limit: 350 MN					
	Rate of Interest (Sanction): 10.75%					
	Rate of Interest (Present): 10.75%					
	Repayment: On Demand					
	Security First charge on the company's current assets including stock & book debts and second charge on the Fixed Assets of the Company.					
	Total	**328.51**	**105.03**	**0.69**	**-**	**-**

V IOT CANADA LTD.

Particulars		As at March 31,				
		2010	2009	2008	2007	2006
A)	**Long Term Loans**					

Particulars		As at March 31,				
		2010	2009	2008	2007	2006
B)	**Short Term Loan**	-	-	-	-	-
1	**Bank-Working Capital Limit**					
	ICICI Bank Canada - IN CAD			**-**	**-**	**-**
	Equivalent to INR	**83.75**	**58.02**	**-**	**-**	**-**
	Facility Limit: 3 Million CAD					
	Rate of Interest (Sanction): PLR +0.5%					
	Rate of Interest (Present): PLR+ 0.5% (Total 3%)					
	Repayment: On demand					
	Security: SBLC from ICICI, India					
	Total	**83.75**	**58.02**	**0.00**	**0.00**	**0.00**

VI Anwesha

Particulars		As at March 31,				
		2010	2009	2008	2007	2006
A)	**Long Term Loans**					
	Bank					
1	**Kotak Mahindra-12 Mt Crane-2008**	0.49	0.75	**-**		
	Facility Limit: 0.85Mn					
	Rate of Interest (Sanction): 14.75%					
	Rate of Interest (Present): 14.75%					
	Repayment: INR 0.85 mn, in 35equal monthly instalments payable on 20th month from the date of drawdown					
	Security: Hypothecation of specific Assets finance by the bank					
2	**KOTAK MAHINDRA - COMPRESSOR - 2ND**	-	-	0.06		
	Facility Limit: INR 0.506 Mn					
	Rate of Interest (Sanction): 8.040%					
	Rate of Interest (Present): NA					
	Repayment: INR 0.506 mn, in 35 equal monthly instalments payable on 20th month from the date of drawdown;					
	Secured by hypothecation of specific Assets finance by the bank					
3	**KOTAK MAHINDRA - 3RD COMPRESSOR**	-	0.15	0.33		
	Facility Limit: INR 0.308 Mn					
	Rate of Interest (Sanction): 12.280%					
	Rate of Interest (Present): NA					
	Repayment: INR0.308 mn, in 23 equal monthly instalments payable on 10th month from the date of drawdown;					
	Secured by hypothecation of specific Assets finance by the bank					
4	**Kotak Mahindra (ACE) 12MT**	0.34	0.64	-		
	Facility Limit: IINR0.9 Mn					
	Rate of Interest (Sanction): 10.94%					
	Rate of Interest (Present): 10.94%					
	Repayment: INR 0.9 mn, in 35 equal monthly instalments payable on 20th month from the date of drawdown;					

Particulars		As at March 31,				
		2010	2009	2008	2007	2006
	Secured by hypothecation of specific Assets finance by the bank					
5	Kotak Mahindra (Ashok Layland)	0.37	0.73	1.06		
	Facility Limit: INR 1.06 Mn					
	Rate of Interest (Sanction): 10.68%					
	Rate of Interest (Present): 10.68%					
	Repayment: INR 1.06 mn, in 35 equal monthly instalments payable on 20th month from the date of drawdown;					
	Secured by hypothecation of specific Assets finance by the bank					
6	Kotak Mahindra Bank(12MT-Crane)	0.21	0.59	0.93		
	Facility Limit: INR 1.06 Mn					
	Rate of Interest (Sanction): 10.68%					
	Rate of Interest (Present): 10.68%					
	Repayment: INR 1.06 mn, in 35 equal monthly instalments payable on 10th month from the date of drawdown;					
	Secured by hypothecation of specific Assets finance by the bank					
7	KOTAK MAHINDRA - ESCORT CRANE	-	0.29	0.69		
	Facility Limit: INR 1.126 Mn					
	Rate of Interest (Sanction):					
	Rate of Interest (Present): NA					
	Repayment: INR 1.126 mn, in 35 equal monthly instalments payable on 1st month from the date of drawdown					
	Secured by hypothecation of specific Assets finance by the bank					
8	Kotak Mahindra Bank Ltd(2010)	5.43	-	-		
	Facility Limit: INR 5.43 Mn					
	Rate of Interest (Sanction): 10%					
	Rate of Interest (Present): 10%					
	Repayment: INR 5.43 mn, in 35equal monthly instalments payable on 1st month from the date of drawdown;					
	Secured by hypothecation of specific Assets finance by the bank					
9	Kotak Mahindra Bank Ltd (JCB)	0.58	1.15	1.67		
	Facility Limit: INR 1.67 Mn					
	Rate of Interest (Sanction): 16.83%					
	Rate of Interest (Present): 16.83%					
	Repayment: INR 1.67 mn, in 35 equal monthly instalments payable on 10th month from the date of drawdown;					
	Secured by hypothecation of specific Assets finance by the bank					
10	Kotak Mahindra-Escort Crane CF 90497	0.34	0.70	1.03		
	Facility Limit: INR 1.06 Mn					
	Rate of Interest (Sanction): 10.68%					
	Rate of Interest (Present): 10.68%					
	Repayment: INR 1.06 mn, in 35equal monthly instalments payable on 10th month from the date of drawdown;					

	Particulars	As at March 31,				
		2010	2009	2008	2007	2006
	Secured by hypothecation of specific Assets finance by the bank					
11	Kotak Mahindra-Escort Crane CF-90512	0.34	0.70	1.03		
	Facility Limit: INR 1.06 Mn					
	Rate of Interest (Sanction): 10.68%					
	Rate of Interest (Present): 10.68%					
	Repayment: INR 1.06 mn, in 35 equal monthly instalments payable on 10th month from the date of drawdown;					
	Secured by hypothecation of specific Assets finance by the bank					
12	SBI Term Loan (2008-09)	8.15	10.71	-		
	Facility Limit: INR 11.60 Mn					
	Rate of Interest (Sanction): 11.25%					
	Rate of Interest (Present): 11.25%					
	Repayment: INR 11.60 mn, in 60 equal monthly instalments payable on 18th month from the date of drawdown;					
	Security: Secured by equitable mortgage of Plant & machinery.					
13	State Bank of India	97.93	31.25	21.27		
	Facility Limit: 106.00 Mn					
	Rate of Interest (Sanction): 70 Mn @ 12.25% & 36 Mn @ 13.25%					
	Rate of Interest (Present): 70 Mn @ 12.25% & 36 Mn @ 13.25%					
	Repayment: On Demand					
	Security: Secured by hypothecation of entire stocks of raw materials, semi-finished goods & finished goods & receivables.					
14	Bajaj Auto Finance Ltd(Platina)	0.00	0.00	0.02		
	Facility Limit: INR 0.0624 Mn					
	Rate of Interest (Sanction): 0%					
	Rate of Interest (Present): NA					
	Repayment: INR 0.0624 mn, in 24 equal monthly instalments payable on 15th month from the date of drawdown					
	Secured by hypothecation of specific Assets finance by the financial institution					
15	ICICI Bank Loan A/c (Maxx DI-5 Door)	0.07	0.19	0.30		
	Facility Limit: INR 0.345 Mn					
	Rate of Interest (Sanction): 11.50%					
	Rate of Interest (Present): 11.50%					
	Repayment: INR 0.345 mn, in 36equal monthly instalments payable on 10th month from the date of drawdown					
	Secured by hypothecation of specific Assets finance by the bank					
16	ICICI Ltd (SANTRO ZG)	-	-	0.06		
	Facility Limit: INR 0.33 Mn					
	Rate of Interest (Sanction): 6.54%					
	Rate of Interest (Present): NA					

Particulars		As at March 31,				
		2010	2009	2008	2007	2006
	Repayment: INR 0.33 mn, in 36 equal monthly instalments payable on 1st month from the date of drawdown;					
	Secured by hypothecation of specific vehicle finance by the bank					
17	ICICI Ltd (MARUTI WAGON - R)	-	0.05	0.12		
	Facility Limit: INR 0.342 Mn					
	Rate of Interest (Sanction): 6.2%					
	Rate of Interest (Present): NA					
	Repayment: INR 0.342 mn, in 60 equal monthly instalments payable on 7th month from the date of drawdown					
	Security: Hypothecation of specific vehicle finance by the bank					
18	ICICI Ltd.(Ford Ikon)	-	-	0.06		
	Facility Limit: INR 0.569 Mn					
	Rate of Interest (Sanction): 7.10%					
	Rate of Interest (Present): NA					
	Repayment: INR 0.569 mn, in 60 equal monthly instalments payable on 1st from the date of drawdown;					
	Security: Secured by hypothecation of specific vehicle finance by the bank					
19	ICICI (Mahindra Bolero)	-	-	0.01		
	Facility Limit:					
	Rate of Interest (Sanction):					
	Rate of Interest (Present): NA					
	Repayment: In 8 equal monthly instalments payable on 18th, 20th, 22nd and 24th month from the date of drawdown; INR 450 mn, in 16 monthly instalments starting from 19th month from the date of drawdown; INR 200 mn in 20 equal monthly instalments					
	Security: Secured by hypothecation of specific vehicle finance by the bank					
20	SBI _- Term Loan	-	-	0.33		
	Facility Limit: INR 1.914 Mn					
	Rate of Interest (Sanction):					
	Rate of Interest (Present): NA					
	Repayment: INR 1.914 mn, in 60 equal monthly instalments payable on 25th month from the date of drawdown					
	Security: Secured by equitable mortgage of Plant & Machinery, etc					
21	SBI-Term Loan- 5Door Maxx-2	0.11	0.22	0.31		
	Facility Limit:-11.6 Mn					
	Rate of Interest (Sanction): 11.25%					
	Rate of Interest (Present): 11.25%					
	Repayment: in 60 equal monthly instalments payable on 20th from the date of drawdown;					
	Security: Secured by hypothecation of specific vehicle finance by the bank					
22	S.B.I. Term Loan - 5 Door Maxx & Maruti	-	0.60	0.73		
	Facility Limit: INR 0.855 Mn					

	Particulars	As at March 31,				
		2010	2009	2008	2007	2006
	Rate of Interest (Sanction): 13.25%					
	Rate of Interest (Present): NA					
	Repayment: In 60 equal monthly instalments payable on 15th month from the date of drawdown;					
	Security: Secured by hypothecation of specific vehicle finance by the bank					
23	SBI- Term Loan - Ford Flair	0.18	0.28	0.37		
	Facility Limit: INR 0.49 Mn					
	Rate of Interest (Sanction): 10.25%					
	Rate of Interest (Present): 10.25%					
	Repayment: INR 0.49 mn, in 60 equal monthly instalments payable on 20th month from the date of drawdown					
	Security: Secured by hypothecation of specific vehicle finance by the bank					
24	SBI Term Loan (Maxx) A/c.No.31045420218	0.38	-	-		
	Facility Limit: INR 0.384 Mn					
	Rate of Interest (Sanction): 11.25%					
	Rate of Interest (Present): 11.25%					
	Repayment: INR 0.384 mn, in 60 equal monthly instalments payable on 3rd month from the date of drawdown					
	Security: Secured by equitable mortgage of Maxx Jeep.					
25	SBI Term Loan- Swift Maruti	0.32	0.40	-		
	Facility Limit: INR 0.40 Mn					
	Rate of Interest (Sanction): 11.25%					
	Rate of Interest (Present): 11.25%					
	Repayment: INR 0.40 mn, in 60 equal monthly instalments payable on 23rd month from the date of drawdown					
	Security: Secured by hypothecation of specific vehicle finance by the bank					
26	SBI- Verna XXI - Hyundai	0.41	0.52	0.60		
	Facility Limit: INR 0.6 Mn					
	Rate of Interest (Sanction): 11.25%					
	Rate of Interest (Present): 11.25%					
	Repayment: INR 0.6 mn, in 60 equal monthly instalments payable on 20th month from the date of drawdown					
	Security: Secured by hypothecation of specific vehicle finance by the bank					
27	TML Financial Services Ltd	-	0.04	0.12		
	Facility Limit: INR 0.278 Mn					
	Rate of Interest (Sanction): 5.79% Flat					
	Rate of Interest (Present): NA					
	Repayment: INR 0.225 mn, in 35 equal monthly instalments payable on 2nd month from the date of drawdown;					
	Security: Secured by hypothecation of specific vehicle finance by the financial institution					
	Total	**115.64**	**49.96**	**31.09**	**-**	**-**

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Particulars		As at March 31,				
		2010	**2009**	**2008**	**2007**	**2006**
A)	**Long Term Loans**					
1	**Union Bank of India - 1**	44.42	66.63	97.72	119.91	128.80
	Facility Limit: 319.8					
	Rate of Interest (Sanction): 7.25%					
	Rate of Interest (Present): 8.50%					
	Repayment: Repayable in 36 equal quarterly instalments of INR 8.88 Million, starting after 9 months from the commercial date of production					
	Security: (a) First mortgage charge on all immovable assets and hypothecation of Company's all movable assets, both present an					
	(b) Assignment of all rights, titles and interests of the Company in respect of all assets of the project and in all projects documents/contracts/licenses including the insurance contracts in favour of the Bank.					
2	**Union Bank of India - 2**	-	-	-	9.25	3.50
	Facility Limit: 40MN					
	Rate of Interest (Sanction): 7.25%					
	Rate of Interest (Present): N A					
	Repayment: Repayable in 36 equal quarterly instalments of INR 1.11 Million, starting after 1 Year from the date of first disbursement					
	Security: (a) All those machinery /plant/vehicle/capital goods/ assets purchased or to be purchased by the Company out of this					
	(b) All those existing and future machinery /plant/vehicle/capital goods/ assets/craft and all those assets/movable properties capable of passing by delivery whether installed or not.					
3	**HDFC Bank**	-	-	0.02	0.10	0.18
	Facility Limit: 0.70 MN					
	Rate of Interest (Sanction): 9.43%					
	Rate of Interest (Present): NA					
	Repayment: Repayable in 60 equal monthly instalments of INR 0.015 Million, starting from 2nd July 2003					
	Security: Hypothecation of Vehicle purchased					
	Total	**44.42**	**66.63**	**97.74**	**129.26**	**132.48**
	Grand Total	**4,160.33**	**3,815.34**	**2,198.58**	**1,604.90**	**1,496.63**

IOT Infrastructure & Energy Services Limited

ANNEXURE - XV

CONSOLIDATED STATEMENT OF UNSECURED LOANS

IOT STANDALONE

(Rs. In Million)

Particulars		As at March 31,				
		2010	**2009**	**2008**	**2007**	**2006**
A)	**Long Term Loans**					
1	**Foreign Curr Loan From DBS Bank**	292.34	332.74	-	-	-
	Facility Limit: $ 6.50 mn					
	Rate of Interest (Sanction): 5.37125%					
	Rate of Interest (Present): 2.75% + LIBOR					
	Repayment: In five annual instalments after a moratorium of 2 years.					
	Security: Unsecured					
B)	**Short Term Loans**					
1	**Short Term Loan From Bank of Nova Scotia**	550.00	150.00	150.00	-	-
	Facility Limit: INR 600 mn					
	Rate of Interest (Sanction): NA					
	Rate of Interest (Present): INR 200 mn @ 5% and INR 350 mn @5.75 %					
	Repayment: INR 200 mn on 15/4/2010 @ 5% and INR 350 mn on 27/5/2010					
	Security: Unsecured					
2	**Short Term Loan from Kotak Mahindra Bank**	**-**	**350.00**	-	-	-
	Facility Limit: INR 1000 mn)					
	Rate of Interest (Sanction): 8.90%					
	Rate of Interest (Present): NA					
	Repayment:					
	Security: Unsecured					
3	**DBS Bank (Buyers Credit)**	**74.69**	125.38	-	-	-
	Facility Limit: USD 5.0 mn					
	Rate of Interest (Sanction): 1.26%					
	Rate of Interest (Present): 1.26%					
	Repayment: 360 days from the date of disbursement					
	Security: Unsecured					
4	**Deutsche Bank(Buyers Credit)**	**-**		7.03	-	-
	Facility Limit: INR 350 mn					
	Rate of Interest (Sanction): 4.25%					
	Rate of Interest (Present): NA					
	Repayment:					
	Security: Unsecured					

Particulars		As at March 31,				
		2010	2009	2008	2007	2006
5	**Term Loan from DBS Bank Ltd**	**-**			-	60.00
	Facility Limit: INR 500 mn					
	Rate of Interest (Sanction): 6.25%					
	Rate of Interest (Present): NA					
	Repayment:					
	Security: Unsecured					
	Total	**917.03**	**958.11**	**157.03**	**-**	**60.00**

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP, IFRS AND U.S. GAAP

The Company's financial statements are prepared in conformity with Indian GAAP on an annual basis. No attempt has been made to reconcile any of the information given in this Draft Red Herring Prospectus to any other principles or to base it on any other standards.

The areas in which differences between Indian GAAP vis-à-vis IFRS and U.S. GAAP could be significant to the Company's consolidated balance sheet and consolidated statement of profit and loss are summarised below. Potential investors should not construe the summary to be exhaustive or complete and should consult their own professional advisers for their fuller understanding and impact on the financial statements set out in this Draft Red Herring Prospectus.

Further, the Company has not prepared financial statements in accordance with IFRS or U.S. GAAP. Accordingly, there can be no assurance that the summary is complete, or that the differences described would give rise to the most material differences between Indian GAAP, U.S. GAAP and IFRS. In addition, the Company cannot presently estimate the net effect of applying either IFRS or U.S. GAAP on the results of the Company's operations or financial position, which may result in material adjustments when compared to Indian GAAP.

The summary includes various IFRS, U.S. GAAP and Indian GAAP pronouncements issued for which the mandatory application dates are later than the date of this Prospectus. Indian GAAP comprises accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 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.

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.
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, profit and loss account, cash flow statement, accounting policies and notes are presented for the current year, with comparatives for the previous year. Public company: Consolidated financial statements along with the standalone financial statements. For a public offering: selected financial data for the five most recent years are required, adjusted to the current accounting norms and

Subject	IFRS	U.S. GAAP	Indian GAAP
			pronouncements.
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.		
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. 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.	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.
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		

Subject	IFRS	U.S. GAAP	Indian GAAP
	commitments and the aggregate amount of secured liabilities and the nature and carrying amount of pledged assets.		
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. U.S. GAAP generally requires title transfer prior to revenue recognition and provides extensive detailed guidance for specific transactions.	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.
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. Depreciation can also be provided on estimated useful life of the assets, based on some technical evaluation of assets. however, such rates cannot be less than the rates as prescribed in schedule XIV above. There is no concept of indefinite life intangible assets.
Foreign currency transactions	Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Foreign currency assets and liabilities are restated at	Similar to IFRS.	Similar to IFRS, except for the following: • exchange difference arising on repayment/restatement of liabilities incurred prior to

Subject	IFRS	U.S. GAAP	Indian GAAP
	the year-end exchange rates.		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.
Prior Period Items	Material prior period errors are corrected retrospectively in the first financial statements issued after their discovery.	Material prior period errors are corrected retrospectively in the first financial statements issued after their discovery.	Adjust the error or omission in the period in which it is discovered and corrected with appropriate disclosure.
Extraordinary **Items**	No concept of Extraordinary items.	Disclosure of individual extraordinary items; including gains or losses from the early extinguishments of debt, if material, net of taxes, is made either on the face of the income statement or in the notes, provided the total of all such items is shown on the face of the income statement. Disclosure of tax impact is either on the face of income statement or in the notes to financial statements.	Extraordinary items of such size and nature that requires separate disclosure to explain the performance of the entity are disclosed separately, net of income taxes, on the face of the income statement or in the notes, provided the total of all such items is shown on the face of the income statement. Exceptional items usually shown on the face of the income statement or in the notes.
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.

Subject	IFRS	U.S. GAAP	Indian GAAP
	Discounting required if effect is material.	Discounting required only when timing of cash flows is fixed.	Discounting is not permitted.
Employee Benefits/Retirement Benefit	The long term employee benefits are accounted for on actuarial valuation basis. Actuarial gains/ losses are subject to corridor approach and actuarial gains/ losses beyond the corridor are recognised over the average working life of the employees. However, Immediate recognition of actuarial gains and losses is permitted through other comprehensive Income.	The long term employee benefits are accounted for on actuarial valuation basis. Actuarial gains/ losses are subject to corridor approach and actuarial gains/ losses beyond the corridor are recognised over the average working life of the employees.	The long term employee benefits are accounted for on actuarial valuation basis. Actuarial gains/ losses are fully recognized in the year they accrue.
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	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
	outflows is remote.		
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	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
		income between jurisdiction • the characterization of income in the tax return • decision to exclude taxable income in the 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.	
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	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.

Subject	IFRS	U.S. GAAP	Indian GAAP
	denominated).		
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 events.	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.
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	Report based on operating segments and the way the chief operating decision-maker evaluates financial information for purposes of allocating resources and assessing	Similar to IFRS.

Subject	IFRS	U.S. GAAP	Indian GAAP
	policies or entity accounting policy.	performance. Use internal financial reporting policies (even if accounting policies differ from group accounting policy).	

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our restated consolidated financial statements as of and in the years ended March 31, 2006, 2007, 2008, 2009 and 2010, prepared in accordance with the Companies Act, India GAAP and the SEBI ICDR Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in the section "Financial Statements" beginning on page 187 of this Draft Red Herring Prospectus. Unless otherwise stated, the financial information used in this section is derived from the restated consolidated financial statements of the Company.

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. For further details, see the section "Summary of Significant Differences between Indian GAAP, U.S. GAAP and IFRS" beginning on page 261 of this Draft Red Herring Prospectus.

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 sections "Forward-Looking Statements" and "Risk Factors" beginning on page xiii and page xv of this Draft Red Herring Prospectus, respectively.

Overview

We are a joint venture between Indian Oil, India's largest petroleum refining and marketing company by sales and the highest ranking Indian company in the Global Fortune 500, and Oiltanking of Germany, one of the world's leading independent storage company for oil, chemicals and gases. We operate a diverse portfolio of businesses, comprised of our EPC Business, our Terminalling Business and our Upstream Services Business and have taken steps to enter into the Renewable Energy Business. We offer an array of our services to the oil and gas industry.

Our business originally consisted of independent tank terminalling services for crude oil and petroleum products. We leveraged on our experience in project management for the construction of terminals to enter into the EPC business in 1998, initially through projects relating to tank farms. We have expanded our EPC Business both organically and through our acquisitions of IOT Anwesha (formerly known as Anwesha Comtech Engineering Private Limited), a specialist tank construction company, and Stewarts and Lloyds, a specialist piping construction company. To further leverage our expertise and customer base in the Indian oil and gas industry, we entered into the Upstream Services Business in 2008 through our acquisition of Newsco Asia, one of the leading providers of directional drilling services in India in which we currently hold a 75.0% equity interest, and have organically expanded our Upstream Services Business to become a seismic service provider.

Our EPC Business provides integrated engineering, procurement and construction services primarily to the oil and gas sector, as well as the power, infrastructure, steel, cement and food and beverage sectors. We believe we have developed core competencies in project management, design optimisation and large-scale procurement and we seek to capture a significant portion of the EPC value chain through our execution expertise in construction services. We operate our EPC Business primarily in India and Oman. We have also established offices in Indonesia and Dubai. The customers of our EPC Business include Indian Oil, Oiltanking Odfjell Terminals & Co. LLC, OIL, ONGC, Doosan, Anrak Aluminium Limited and HPCL.

Our portfolio of completed EPC projects include petroleum product storage projects providing over three million kiloliters of storage, 243 kilometres of cross-country petroleum product pipelines, utilities and offsites for refineries, aviation fuel handling systems, LPG storage and bottling facilities, heavy erection work in the petrochemical and cement industries, as well as crude oil treatment facilities. Our completed projects include 13 large projects, each generating revenues in excess of Rs. 250.00 million, since April 1, 2005. In the aggregate, these large projects have generated aggregate revenues of Rs. 25,555.80 million, which constituted 56.0% of our EPC Business's revenue over this period. Two of our largest completed projects, the storage tanks and terminal facilities at Sohar Industrial

Port, Oman for Oiltanking Odfjell Terminal Company and the offsite and storage facilities for the Naphtha Cracker at Panipat for Indian Oil were completed in June 2009 and March 2010, respectively generating revenue of Rs. 5,958.45 million and Rs. 12,832.40 million, respectively. As of June 30, 2010, our EPC Order Book, which represents the estimated contract value of the unexecuted portion of our existing EPC contracts, including contracts for internal development projects that do not directly generate external revenues, was Rs. 28,588.39 million. Our EPC Order Book includes the Paradip Refinery Storage Terminal, a 1,410,435 kiloliter crude and petroleum products tankage facility for Indian Oil's 15 MMTPA oil refinery at Paradip that we are constructing on a BOOT basis. The Paradip Refinery Storage Terminal is our largest EPC project to date, which we were awarded on the basis of an internationally competitive bid. Our EPC Order Book has grown from Rs. 3,001.09 million as of March 31, 2006 to Rs. 29,160.27 million as of March 31, 2010, which represents a CAGR of 76.6%.

For the years ended March 31, 2006, 2007, 2008, 2009 and 2010, our EPC Business generated revenue of Rs. 2,898.21 million, Rs. 4,504.79 million, Rs. 10,240.65 million, Rs. 14,518.63 million and Rs. 13,552.23 million, respectively, which constituted 83.3%, 88.5%, 93.2%, 92.0% and 89.0% of our total consolidated revenue, respectively. For the year ended March 31, 2006 to the year ended March 31, 2010, revenues from our EPC Business grew at a CAGR of 47.1% and EBIT for our EPC Business grew at a CAGR of 62.4%.

We began operating our first terminal in 1998 and are one of the leading independent terminalling companies in India. Our Terminalling Business provides independent tank terminalling services for the receipt, storage, despatch and handling of crude oil and petroleum products. We are also engaged in bottling of LPG and dewatering of crude oil and provide into-plane services at a private sector international airport in south India and the New Delhi International Airport. The customers of our Terminalling Business include major oil companies in India such as Indian Oil, ONGC, OIL, Essar and Shell MRPL Aviation Fuel and Services Private Limited.

Our ability to offer our customers a variety of ownership and operational business models such as BOOT, BOO, BO and O&M by combining our competencies in terminal operation and EPC services has enabled us to grow our operations to 16 terminals with 1.10 million kiloliters of storage capacity. We currently own and operate three of these terminals on an open access basis. We also expect to begin operating and maintaining the Paradip Refinery Storage Terminal by January 2012.

For the years ended March 31, 2006, 2007, 2008, 2009 and 2010, our Terminalling Business generated revenue of Rs. 581.77 million, Rs. 583.34 million, Rs. 651.31 million, Rs. 1,070.58 million and Rs. 1,218.00 million, respectively, which constituted 16.7%, 11.5% 6.0%, 6.8% and 8.0% of our total consolidated revenue, respectively. For the years ended March 31, 2006 to March 31, 2010, our revenues from the Terminalling Business grew at a CAGR of 20.3% and EBIT for our Terminalling Business grew at a CAGR of 13.2%.

Our Upstream Services Business provides integrated directional drilling services and seismic services. We acquired Newsco Asia in August 2008 to exploit the opportunities presented by increased use of directional drilling by the Indian national oil and gas companies with which we have relationships through our EPC Business and Terminalling Business.

Through our acquisition of Newsco Asia, we have access to directional and horizontal drilling technology, as well as research and development and a strong presence in directional drilling services in India. We subsequently entered into the seismic services business and are undertaking our first contract for providing seismic services in difficult terrain at Karbi Anglong, Assam for OIL. For the years ended March 31, 2009 and 2010, our Upstream Services Business generated revenue of Rs. 185.13 million and Rs. 448.70 million, respectively, which constituted 1.2% and 2.8% of our total consolidated revenue, respectively. The EBIT for our Upstream Services Business amounted to Rs. 123.91 million and Rs. 85.00 million for the years ended March 31, 2009 and 2010, respectively.

To commence our Renewable Energy Business, we have formed a joint venture with Mabagas, which has expertise in biogas plants, in order to identify, develop, build, own and operate biogas and biogas-based power plants in India.

We are a professionally managed organisation, with over 2,500 employees as of March 31, 2010. We believe we operate world class HSSE systems, processes and practices and view the safe operation of our businesses as critical to our success. In particular, we seek to follow the international standards of Oiltanking in our Terminalling Business and the OSHA and OISD192 guidelines and practices in our EPC Business. For the year ended March 31, 2006 to the year ended March 31, 2010, we achieved 78 million man-hours without a reported incident and provided approximately one million man-hours of professional HSSE training. Our construction sites for the intermediate crude oil storage terminal and pumping facilities for Viramgam Terminal for the Barmer Salaya Pipeline Project at Viramgam for a British oil and gas company, the civil, structural and underground piping works for Offsite 2 for the Panipat Refinery Expansion Project for Indian Oil and the design, fabrication and erection of crude oil storage tanks at Paradip for Indian Oil have been certified OHSAS 18001:2007. Two of our owned terminals, the ZIOL terminal in Goa and the CPCL LPG Bottling Plant in Chennai operate under ISO 9001:2008 and 14001:2004.

For the years ended March 31, 2006, 2007, 2008, 2009 and 2010, our total consolidated revenue was Rs. 3,479.98 million, Rs. 5,088.13 million, Rs. 10,891.96 million, Rs. 15,774.34 million and Rs. 15,218.93 million, respectively, which constituted a CAGR of 44.6% over the five year period. For the years ended March 31, 2006, 2007, 2008, 2009 and 2010, our EBIT was Rs. 466.72 million, Rs. 514.04 million, Rs. 992.29 million, Rs. 2,196.34 million and Rs. 2,344.48 million, respectively, which constituted a CAGR of 49.7%.

For the years ended March 31, 2006, 2007, 2008, 2009 and 2010, the total consolidated revenue of our construction and engineering segment, which primarily includes our EPC Business and our Upstream Services Business was Rs. 2,898.21 million, Rs. 4,504.79 million, Rs. 10,240.65 million, Rs. 14,703.76 million and Rs. 14,000.93 million, which constituted a CAGR of 48.3%. For the years ended March 31, 2006, 2007, 2008, 2009 and 2010, the EBIT of our construction and engineering segment was Rs. 261.53 million, Rs. 334.22 million, Rs. 391.65 million, Rs. 2006.57 million and Rs. 1,903.87 million, respectively, which constituted a CAGR of 64.3%.

For the years ended March 31, 2006, 2007, 2008, 2009 and 2010, the total consolidated revenue of our terminalling segment was Rs. 581.77 million, Rs. 583.34 million, Rs. 651.31 million, Rs. 1,070.58 million and Rs. 1,218.00 million, which constituted a CAGR of 20.3%. For the years ended March 31, 2006, 2007, 2008, 2009 and 2010, the earnings before interest and tax of our terminalling segment was Rs. 255.65 million, Rs. 241.88 million, Rs. 262.42 million, Rs. 407.42 million and Rs. 420.23 million, respectively, which constituted a CAGR of 13.2%.

Factors Affecting Results of Operations

Our business, results of operations and financial condition are affected by a number of factors, some of which are beyond our control. This section sets out certain key factors that we believe have affected our results of operations and financial condition in the periods under review or could affect our results of operations or financial condition in the future. For a discussion of certain factors that may adversely affect our results of operations and financial condition, see the risk factors set out in the section headed “Risk Factors.”

Our ability to realize revenues, cash flow and profit from our EPC Order Book

Our EPC Order Book is comprised of the estimated contract value of the unexecuted portion of our existing EPC contracts, including internal development projects that do not directly generate external revenues, as of a particular date. Our EPC Order Book was Rs. 28,588.35 million as of June 30, 2010. EPC Order Book inflows in the years ended March 31, 2008, 2009 and 2010 were Rs. 10,706.20 million, Rs. 6,151.70 million and Rs. 30,985.40 million, respectively. Our EPC Order Book as of June 30, 2010 is comprised of projects from the following sectors: oil and gas (95.03%); power (3.27%), cement (0.14%) and other sectors (1.56%). Although our EPC Order Book grew during the year ended March 31, 2010, during the year ended March 31, 2009, there was a reduction in our EPC Order Book, which the Company believes was primarily the result of the effects of the general economic slowdown which caused the major players in the domestic oil and gas sector to delay capital expansion plans beginning in the second half of the year ended March 31, 2009 and continued through the first half of the year ended March 31, 2010. During the second half of the year ended March 31, 2010 we received orders for the Paradip Refinery Storage Terminal with an initial contract value of Rs. 19,250.00 million, the coke drum system package for the DCU process plant project at Guwahati for Indian Oil's refinery with an initial contract value of Rs. 2,095.67 million, the storage of crude oil project in Andhra Pradesh with an initial contract value of Rs. 3,937.75 million and phases 4 and 5 in connection with the storage tanks and terminal facilities at Sohar Industrial Port, Oman for Oiltanking Odfjell Terminal Company with an initial contract value of Rs. 3,391.00 million.

If the orders represented by our EPC Order Book were to substantially materialize, their contribution to our external revenues would be significant. However, a number of contingencies could affect the realization of our EPC Order

Book as future external revenues, including cancellations, scope of work adjustments, loss of revenue resulting from our failure to meet the completion schedule, force majeure, legal impediments and our ability to perform under the contract. There can be no assurances that any revenues anticipated in our EPC Order Book will be realized or, if realized, will be realized at the time they are currently expected. Projects may remain in our EPC Order Book for an extended period of time.

We may also not receive cash flows from our execution of EPC contracts that correspond to the timing of the revenues we have recognized. We recognize revenues in respect of our EPC contracts by reference to the overall estimated profitability of the contract under the percentage of completion method. However, we are typically entitled to receive milestone payments pursuant to the terms of EPC contracts. Although we typically aim to achieve milestone payments that will yield equal payments at regular intervals over the life of the project based on our estimation of completion times of various aspects of the project, receipt of milestone payments may not necessarily correspond to the revenues we recognize or the costs we incur. Consequently, we may be required to fund our working capital requirements for completion of projects through borrowings. In the years ended March 31, 2007, 2008, 2009 and 2010, our outstanding borrowings for working capital purposes were Rs. 154.02 million, Rs. 631.23 million, Rs. 1,882.66 million and Rs. 2,336.72 million. As we continue to undertake EPC projects of increasing size, our working capital requirements will increase and we may become more susceptible to fluctuations in working capital requirements and cash flows and, in particular, may be more susceptible to liquidity issues due to delays in large EPC projects that cause us not to reach milestone payments in a manner that corresponds with our costs of implementing such large EPC projects.

Additionally, our EPC Order Book includes the Paradip Refinery Storage Terminal, which is a BOOT project that we intend to construct and operate for a finite period of time. For further details on the Paradip Refinery Storage Terminal, please see "EPC Business - EPC Order Book" in the section “Business” beginning on page 73 of this Draft Red Herring Prospectus. Revenues with respect to BOOT projects are recognized on the basis of the value of the construction work-in-progress. However, for BOOT projects, including the Paradip Refinery Storage Terminal, which accounted for Rs. 16,026.43 million, or 56.0% of our EPC Order Book as of June 30, 2010, we do not receive external revenues in the form of direct payments for the construction of the facility. Instead, a portion of the fees we receive for the operation and maintenance of the facility represent a return of the capital (including interest) calculated on the basis of the fixed project cost agreed in the BOOT contract, plus an internal rate of return, and such fees are typically payable over the duration of the term of our ownership of the facility. Consequently, we may not receive cash flow from BOOT projects in our EPC Order Book, including the Paradip Refinery Storage Terminal, for an extended period of time. We intend to continue to offer our customers a variety of ownership and operational business models, particularly with respect to terminalling projects, and to the extent we enter BOOT arrangements it could have an impact on our cash flow and would require us to increase our borrowings.

Additionally, we may recognize revenues from our EPC Order Book that do not result in profits. We typically enter into EPC contracts on a fixed price basis. Under our fixed price contracts, the total consideration is typically set by the amount we bid for the project. As a consequence, we are susceptible to the risk of material cost variation from the assumptions underlying a bid for several reasons, including unanticipated changes in engineering design of the project; unanticipated variations in the cost of equipment, fuel, material or manpower; timing of delivery of equipment and materials to the project site; ability of the client to obtain requisite environmental and other approvals; and the performance of suppliers and sub-contractors. In particular, our fixed price contracts typically do not provide index based variable-price contracts for any commodity costs associated with the project, such as steel, nor do they provide for additional costs we may incur due to inflation. To the extent the costs of our EPC projects exceed our estimates, we may experience reduced or negative cash flow or reduced profitability or losses with respect to such projects.

Our recent and future acquisitions, strategic alliances and technology sharing arrangements

Historically, a substantial portion of our growth has been driven by acquisitions and we expect that our growth will continue to include acquisitions as well as strategic alliances and technology sharing arrangements.

In the year ended March 31, 2008, we acquired an 81.0% equity interest in IOT Anwesha (formerly known as Anwesha Comtech Engineering Private Ltd), a company that specialises in the construction of storage tanks, structures, piping and associated facilities for refineries, terminals, fertilizer and chemical plants for total consideration of Rs. 234.90 million. In the years ended March 31, 2009 and 2010, IOT Anwesha contributed Rs. 316.31 million and Rs. 443.08 million to our total consolidated revenues. The acquisition also enabled us to reduce our sub-contract costs and capture a greater portion of the EPC value chain for projects such as the intermediate crude oil storage terminal and pumping facilities for Viramgam Terminal for the Barmer Salaya Pipeline Project at Viramgam for a British oil and gas company, the construction of offsite facilities and utilities (EPCC-6B Package) for the residue upgradation and quality improvement project at the Gujarat Refinery at Vadodara for Indian Oil, and the construction of utilities and offsite facilities (EPCC-6A Package) for the residue upgradation project at the Gujarat Refinery at Vadodara for Indian Oil.

In the year ended March 31, 2008, we acquired 100.0% equity interest in IOTEP, a company which specialises in the construction of storage tanks, structural erections, piping and associated facilities for refineries, terminals, power and cement plants for a total consideration of Rs. 149.30 million. In the years ended March 31, 2009 and 2010, IOTEP contributed Rs. 862.24 million and Rs. 1,601.78 million to our total consolidated revenues.

In the year ended March 31, 2009, we agreed to acquire 100.0% of the equity interest in Newsco Asia, a subsidiary of Newsco Canada, over a thirty-six month period. In the initial stage of the acquisition in August 2008, we acquired 49.99% of the equity interests in Newsco Asia for Rs. 421.00 million in cash and Rs. 320.45 million in promissory notes. In the second stage of the acquisition in April 2010, we acquired an additional 25.0% of the equity interests in Newsco Asia for Rs. 258.13 million in cash. The third and final stage of the acquisition is scheduled to occur in September 2011, pursuant to which we will acquire the remaining equity interest in Newsco Asia for consideration of $6.75 million (equivalent to Rs. 317.79 million as on August 31, 2010). Under the terms of a shareholders agreement between Newsco Asia and Newsco Canada, we have been entitled to all income derived from the Newsco Asia business since the date of the initial acquisition and we have consolidated Newsco Asia's accounts in the year ended March 31, 2009. For March 31, 2010, Newsco Asia contributed Rs. 312.57 million to our total consolidated revenues.

On August 12, 2010, we entered into a non-binding term sheet to acquire a 60.0% equity interest each in Newsco Canada and certain related entities by September 30, 2010. The consideration for the proposed acquisition of Newsco Canada will consist of our shares of Newsco Asia and cash. Pursuant to the completion of our proposed acquisition of Newsco Asia, we intend to reconsolidate the Newsco Asia business with Newsco Canada's global platform. We believe the proposed Newsco Canada acquisition, if consummated, will provide us with a global directional drilling business with exclusive access to Newsco Canada's directional drilling technology, research and development and MWD tools on a global basis. We believe Newsco Canada's business will benefit from our access to financing and business development capabilities.

We also intend to continue to grow our business through acquisitions, strategic alliances and technology sharing arrangements where we identify market opportunities to expand our business. Within EPC, we will seek experienced and qualified EPC contractors to pursue business areas in which we may lack the foothold experience or core competency. Similarly, we will continue to pursue acquisitions of companies that enable us to capture a larger portion of the EPC value chain. We also intend to selectively enter new business lines, particularly in the oil and gas sector, where we believe we can leverage on our existing relationships with the major domestic players. We may also enter into strategic alliances to explore opportunities or acquire companies with proven track records in other identified sectors, including offshore EPC operators and companies with seismic data analysis and 3D-seismic capabilities. However, we may not be able to successfully identify, consummate and integrate the acquisitions, strategic alliances and technology sharing arrangements contemplated by our strategy. Moreover, even if we do consummate such acquisitions, alliances and arrangements, we may not realize the anticipated benefits and such acquisitions, alliances or arrangements could materially increase our liquidity and capital resource needs, and thus require us to incur indebtedness, seek equity capital or both and could result in us assuming significant long-term liabilities.

The activity and expenditure levels in the oil and gas sector

Demand for our EPC Services, Terminalling Services and Upstream Services are particularly sensitive to the level of exploration, production and development of, and the corresponding capital spending by, oil and gas companies. Our revenue derived from the oil and gas sector accounted for 88.7%, 94.1% and 92.9% of our revenue in the years ended March 31, 2008, 2009 and 2010, respectively. We expect that the oil and gas sector will continue to account for a majority of our revenues and profits in the future. Capital expenditure in the oil and gas sector is influenced by, among other factors, the rate of discovery and development of new oil and gas reserves; global demand for oil and gas and derivative products; oil and gas prices; increasing focus on alternative sources of energy, particularly renewable and sustainable forms of energy; local and international political and economic conditions; exploration, extraction, production, refining and transportation costs; governmental regulations and policies relating to the exploration for and production and development of their oil and natural gas reserves; global weather conditions; and trends in environmental legislation.

In India, oil and gas prices have historically been highly regulated. However, we believe we are well positioned to benefit from the expected growth in the oil and gas sector in India that will result from the Government's intention to decrease India's dependence on oil imports and its continued efforts toward market-determined pricing for petroleum products, which is expected to result in increased investment into the Indian oil and gas sector by both public and private players, as well as the development of strategic reserves, which is expected to increase the requirement for crude oil and petroleum products storage and infrastructure in India. As a result of any such deregulation oil and gas prices in India could become subject to significant fluctuations in response to relatively minor changes in the supply of and demand for oil and gas, market uncertainty and a variety of other factors that are beyond our control. Any prolonged reduction in oil and gas prices could depress the level of exploration, development, production and transportation activity and result in a corresponding decline in the demand for our services in the energy industry. Any prolonged increase in oil and gas prices could also result in decreased or slowing of consumer demand for products derived from oil and gas, including gasoline, chemicals, synthetic fabrics and plastics, consequently resulting in reduced financial incentive to invest in additional production or transportation capacity. Sustained volatility of oil and gas prices can also cause capital expenditures to be postponed or cancelled. Historically, the global markets for oil and gas have been volatile and are likely to continue to be volatile in the future.

Our ability to bid for and win and execute new contracts

We have increasingly become involved in larger oil and gas-related projects and we intend to pursue higher value projects of greater complexity where our track record and expertise provide competitive advantages. For example, we expect to continue to leverage on our track record in project execution and expertise in terminal operation to offer integrated terminal construction and operation services through a variety of ownership structures such as BOOT, BOO and BO, as well as well as O&M services. Our core competencies within oil and gas EPC services extend to off-sites and utilities and we believe we will be able to continue to attract opportunities. We have also expanded our competencies into process units through our project relating to the DCU process plant project at Guwahati for Indian Oil's refinery, which we believe expands the EPC opportunities that will become available to us within the oil and gas sector, and we intend to replicate our success in leveraging our areas of competency to undertake process-related projects of increasing complexity and value over time. However, we operate in highly competitive markets where it is difficult to predict whether and when we will receive awards since these project contracts often involve complex and lengthy negotiations and bidding processes. These processes can be impacted by a wide variety of factors including governmental approvals, financing contingencies, commodity prices, environmental conditions and overall market and economic conditions. In addition, during an economic downturn, many of our competitors may be more inclined to take greater or unusual risks or terms and conditions in a contract that we might not deem acceptable. Because our revenue is expected to be increasingly to be generated from large projects, our results of operations may fluctuate from quarter to quarter and year to year depending on whether and when project awards occur and the commencement and progress of work under awarded contracts.

Fluctuations in currency exchange rates

A portion of our revenues and expenses are denominated in currencies other than Rupees. Our foreign currency denominated revenues are primarily our revenues derived from the Newsco Asia business and IOTECS Oman, which are generally denominated in U.S. Dollars. In addition, we incur expenditure denominated in the currencies of the countries where we operates, including, for example, Oman, and make procurement of equipment in other currencies, such as the U.S. Dollar. In the years ended March 31, 2009 and 2010, approximately 25.7% and 16.6%, respectively, of our revenues and 26.6% and 16.6%, respectively, of our expenses were denominated in currencies other than Rupees. We also have outstanding foreign currency denominated borrowings, primarily borrowings in connection with our acquisition of the Newsco Asia business and to fund its working capital and capital expenditure requirements. As of March 31, 2010, Rs. 505.99 million, or 10.02% of our total outstanding borrowings were denominated in a currency other than Rupees.

We intend to continue to grow our international presence, including through the potential acquisition of Newsco Canada, which may result in further foreign currency exposure in the form of foreign denominated revenues, expenses, borrowings or investments. For additional information, please see note 6.a to our consolidated restated financial statements in the section “Financial Statements” beginning on page 187 of this Draft Red Herring Prospectus.

Note on Consolidation

Our restated consolidated financial statement have been consolidated with our subsidiaries on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating the intra-group balances, intra-group transactions and unrealized profits or losses.
The proportionate share of unrealized profits or losses of third parties holding equity interests in our non-wholly owned subsidiaries (other than Newsco Asia) are reflected in our restated consolidated statement of profit and losses as "minority interests".

As of March 31, 2010, our non-wholly owned consolidated subsidiaries are:

- IOT Anwesha, a specialist tank construction company in which we hold an 81.0% equity interest;
- Stewarts and Lloyds, a specialist piping construction company that is publicly listed in India and in which we hold a 55.5% equity interest;
- IOTECS Oman, which provides EPC services for the energy sector in Oman and which we hold a 70.0% equity interest;
- Newsco Asia, in which we held a 49.99% equity interest as of March 31, 2010 and hold a 75.0% equity interest as of June 30, 2010). No minority interests are recognized in Newsco Asia as we hold 100.0% economic interest; and
- IOT Anwesha LLC, in which we held 70.0% equity interest as of March 31, 2010.

Our restated consolidated financial statements have been combined with our joint ventures by applying proportionate consolidation on a line-by-line basis of items of assets, liabilities, income and expenses after eliminating a proportionate share of unrealized profits or losses.

As of March 31, 2010, our joint ventures are:

- ZIOT, in which we held a 50.0% equity interest as of March 31, 2010; and
- IOSL, in which we held a 33.3% equity interest as of March 31, 2010.

For additional information, please see "Significant Accounting Policies-Principles of Consolidation" to our consolidated restated financial statements in the section “Financial Statements” beginning on page 187 of this Draft Red Herring Prospectus.

Note on Presentation of Segment Information

As of March 31, 2010, we include two primary segments in our consolidated financial statements: terminalling and construction and engineering. Except where the context otherwise requires, we refer to our terminalling segment in this Draft Red Herring Prospectus as our Terminalling Business. Our construction and engineering segment is comprised of all of our other businesses, which primarily includes our EPC Business and our Upstream Services Business.

For the purposes of this Draft Red Herring Prospectus, including the consolidated and unconsolidated financial statements including the section "Financial Statements" beginning on page 187 of this Draft Red Herring Prospectus, segment results refers to external revenues relating to such segment less any expenses allocated to such segment. We do not allocate interest or tax on a segment by segment basis.

Critical Accounting Estimates

The preparation of our financial statements in conformity with Indian GAAP and the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Government requires our management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of such financial statements and the results of operations during the reported period. By their nature, these estimates, judgments and assumptions are subject to a degree of uncertainty. These estimates, judgments and assumptions are based on our historical experience, terms of existing contracts, and our observance of trends in the industry, information provided by our clients and information available from other third party sources, as appropriate. The recognition, measurement, classification or disclosure of an item or information in our financial statements has been made relying on these estimates, judgments and assumptions. There can be no assurance that our estimates, judgments and assumptions 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. Any revision to accounting estimates is recognized prospectively and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements in current and future periods. The accounting policies requiring our most critical accounting estimates are as follows.

Revenue Recognition for Construction Contracts

Revenues from construction contracts are recognized by reference to the overall estimated profitability of the contract under the percentage of completion method. Foreseeable losses in any contract is provided for 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, the technical evaluation of work completed and measurement of physical progress and proportion of costs incurred (including material fabricated or made especially for the contract(s), inspected and/or approved technically) to the estimated total costs. Contract costs comprises of all costs that relate directly to the specific contract, incidental costs attributable to the contract including allocated overheads and warranty costs.

For projects with a value of less than Rs. 2,000.00 million, we do not recognize revenue until we have achieved at least 10.0% completion. For projects with a value of Rs. 2,000.00 million to Rs. 5,000.00 million, we do not recognize revenue until we have achieved at least 7.5% completion. For projects with a value of Rs. 5,000.00 million or more, we do not recognize revenue until we have achieved at least 5.0% completion.

Consequently, the extent to which we estimate the completion of a project and, in particular, the physical progress of a project and/or its total costs for completion will have a material impact on our recognition of revenue with respect to such project. In the event we underestimate the costs for completion or overestimate the physical progress of a project, we could prematurely recognize revenues related thereto. Because milestones payments for projects are generally required to be certified by the customer’s project management consultant or engineer, any such underestimation of costs or overestimation of physical progress could result in an increased delay between the time we recognize revenues and receive cash flow relating to such a project.

Impairment of Assets

We assess the carrying amount of assets at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, we estimate the recoverable amount of the asset. The recoverable amount is estimated as the higher of the net realisable value and the value in use with an impairment loss being recognized whenever the carrying amount exceeds the recoverable amount.

A previously recognized impairment loss on assets is reversed if there has been a change in the estimates used to determine the recoverable amount, however not to the extent higher than the carrying amount that would have been determined had no impairment loss been recognized in prior years.

All long term investments are valued at cost and provision for diminution in value thereof is made wherever such diminution is other than temporary. All current investments are valued at lower of cost or net fair/market value.

Employee Benefits

Provident Fund and Pension Fund. Retirement benefits in the form of our provident fund/pension fund is a defined contribution scheme and the contributions are charged to our profit and loss account in 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.

Gratuity. Gratuity liability is a defined benefit obligation. We have taken an insurance policy under the group gratuity scheme with insurers to cover the gratuity liability of the employees and the amount paid/payable in respect of the present value of liability of past services is charged to our profit and loss account every year. The difference between the amount paid / payable to the insurers and the actuarial valuation made at the end of each financial year is also charged to our profit and loss account.

Leave Entitlement. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation.

Taxation

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

The deferred tax for timing differences between the book and tax profits in the year is accounted for using the tax rates and laws that have been substantively enacted as of the balance sheet date.

Deferred tax assets arising from timing differences are recognized to the extent there is reasonable/virtual certainty that these could be realized in future.

Provision for fringe benefit tax has been made in respect of employee benefits and other specified expenses as determined under the Income Tax Act, 1961.

Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be outflow of resources.

Provision for warranty costs are made based on technical assessment considering the specific nature of each contract. Such assessments are reviewed periodically and revised considering past experience and actual incurrence. Unutilized provision is reversed on expiry of the warranty period.

Disclosures for a contingent liability is made, without a provision in books when there is an obligation that may, but probably will not, require outflow of resources.

Contingent assets are neither recognized, nor disclosed in the financial statements.

Warranty for EPC Contract

Where we are the principal contractor under an EPC contract, we remain responsible for ensuring satisfactory performance under the contract. Our EPC contracts typically have defect liability period of 18 months from the date of mechanical completion or 12 months from the date of commissioning. In the event of non-performance of any part of the facility during the defect liability period, the company will have to take corrective action.

We estimate the amount of liability for warranty claims on the basis of the technical assessment made by the project management. Based on this assessment and historical experience we provide 0.5% of cumulative revenue recognized in respect of contracts valued below Rs. 5,000.00 million and 0.25% for the contracts valued above Rs. 5,000.00 million.

Employee Stock Option Scheme

We follow the fair value per share for computing the compensation cost for options granted under our employee stock option scheme. Our ESOP scheme requires grant of ESOP at fair value. We use the Black Scholes pricing model for estimating fair value of options. The key assumptions under this pricing model are the risk free interest rate, the expected life of the option, the expected volatility in our share price and the expected dividend yield on our shares. For additional information, please see note 4 to our consolidated restated financial statements the section "Financial Statements" beginning on page 187 of this Draft Red Herring Prospectus.

Selected Components of Profit and Loss Account

Terminalling Services

Terminalling services primarily represents fees received for tank rentals, operation and maintenance charges, throughput charges and fees for ancillary services.

Terminalling services also include export consignment fees we receive at the Navghar, Navi Mumbai terminal in respect of the evacuation of naptha from the terminal to ships for ONGC.

Construction and Engineering Services

Construction and engineering services primarily represent income from various construction and engineering services contracts, including revenues recognized in respect of EPC contracts and from our Upstream Services business. Construction and engineering services also includes any increase or decrease in work-in-progress on our internal construction and engineering services contracts, which is the closing work-in-progress as of the end of the relevant financial year less the opening work-in-progress as of the beginning of that financial year.

Other Sales

Other sales primarily include income in respect of manufacturing of equipment for third parties by IOT Anwesha and Stewarts and Lloyds.

Other Income

Other income primarily includes (i) realized settlement of foreign denominated contracts for non-capitalized expenditures and unrealized exchange gains and losses on our foreign currency borrowings and our investments in foreign subsidiaries; (ii) rent received in respect of equipment and office premises; (iii) profit on sale of fixed assets; (iv) income from current investments such as mutual funds; and (vi) miscellaneous receipts such as scraps.

Cost of Construction and Engineering Services

Cost of construction and engineering services primarily includes (i) the cost of construction materials such as structural steel, piping material, electrical material, cables and equipment; (ii) sub-contracting costs (iii) operational and general and administrative costs allocated to our construction and engineering services segment such as personnel costs, as well as changes in provisions in warranty costs and (iv) changes in work in progress relating to our construction and engineering services segment at cost.

Personnel Expenses

Personnel expenses primarily include salaries and allowances, contribution to provident fund and other funds and staff welfare expenses not allocated to our construction and engineering services segment.

Operating and Other Expenses

Operating and other expenses primarily include operational and general and administrative costs such as legal and professional charges, power and fuel costs, rent, repairs and maintenance and travelling and conveyance costs. Operating and other expenses also include wharfage charges we pay in respect of the evacuation of naptha from the terminal to ships for ONGC under an export consignment arrangement at the Navghar, Navi Mumbai terminal.

Interest and Finance Charges

Interest and finance charges primarily include net interest on fixed loans and other interest expenses and finance changes, including interest payable with respect to mobilization advances we may receive from customers in connection with EPC projects.

Share of Minority Shareholders

Share of minority shareholders represents the proportionate share of unrealized profits or losses of third parties holding equity interests in our non-wholly owned subsidiaries. We do not recognize minority interests in Newsco Asia as we hold 100.0% economic interest.

Results of operations

(*Rs. in Million*)

	For the year ended March 31			
	2010	**2009**	**2008**	**2007**
Income				
Income from Operations:				
Terminalling Services	1,218.00	1,070.58	651.31	583.34
Construction and Engineering Services	13,780.98	14,426.37	9,944.38	4,166.27
Other Sales	219.95	277.39	296.27	338.52
Total Income from Operations	**15,218.93**	**15,774.34**	**10,891.96**	**5,088.13**
Other Income	73.71	111.36	60.29	9.83
Total Income	**15,292.64**	**15,885.70**	**10,952.25**	**5,103.75**
Expenditure				
Cost of Construction and Engineering Services	11,015.92	12,305.72	9,236.48	4,089.93
Personnel Expenses	649.52	468.29	211.68	87.40
Operating and Other Expenses	805.93	547.98	297.55	211.94
Total Operating Expenses	**12,471.36**	**13,321.99**	**9,745.71**	**4,389.27**
Profit before interest, depreciation, tax and amortisation	**2,821.27**	**2,563.70**	**1,206.54**	**714.48**
Interest and Finance Charges	455.98	396.32	207.50	135.76
Depreciation	476.79	367.36	214.25	194.64
Profit before tax, exceptional items and prior period items	**1,888.50**	**1,800.02**	**784.79**	**384.08**
Current Tax (including Fringe Benefit Tax & Wealth Tax)	530.69	544.73	238.75	104.38
Deferred Tax	12.12	(41.41)	(5.04)	49.66
Profit before exceptional items and prior period items	**1,345.69**	**1,296.70**	**551.08**	**230.03**
Exceptional Items	-	-	-	-
Prior Period Items	(66.38)	-	-	-
Net profit before minority interest	**1,279.31**	**1,296.70**	**551.08**	**230.03**
Share of Minority Shareholders	324.20	332.30	76.20	11.22

Profit after tax	**955.11**	**964.41**	**474.88**	**218.81**
Adjustments: Prior Period Items	66.38	(66.38)	-	-
Net Profit, as Restated	**1,021.49**	**898.03**	**474.88**	**218.81**

Year ended March 31, 2010 compared to year ended March 31, 2009

Income and Segment Revenue

Our total income decreased by Rs. 593.06 million, or 3.7%, to Rs. 15,292.64 million in the year ended March 31, 2010 from Rs. 15,885.70 million in the year ended March 31, 2009. Total operating income decreased by Rs. 555.41 million, or 3.5%, to Rs. 15,218.93 million in the year ended March 31, 2010 from Rs. 15,774.34 million in the year ended March 31, 2009. The decreases were primarily attributable to a decrease in income from construction and engineering services.

Revenues for our terminalling segment increased by Rs. 147.42 million, or 13.8%, to Rs. 1,218.00 million in the year ended March 31, 2010 from Rs. 1,070.58 million in the year ended March 31, 2009.

Revenues for our construction and engineering segment decreased by Rs. 702.83 million, or 4.8%, to Rs. 14,000.93 million in the year ended March 31, 2010 from Rs. 14,703.76 million in the year ended March 31, 2009. Within our construction and engineering segment, revenues from our Upstream Services Business increased by Rs. 263.57 million, or 142.4%, to Rs. 448.70 million in the year ended March 31, 2010 from Rs. 185.13 million in the year ended March 31, 2009, primarily as a result of our first full year of ownership of Newsco Asia, which we acquired in August 2008.

Terminalling Services

Income from terminalling services increased by Rs. 147.42 million, or 13.8%, to Rs. 1,218.00 million in the year ended March 31, 2010 from Rs. 1,070.58 million in the year ended March 31, 2009, primarily as a result of:

- An increase of Rs. 103.72 million, or 91.8%, in our proportionate share of income in IOSL primarily due to an increase in rates implemented with respect to our terminalling operations at a private sector international airport in South India with effect from January 1, 2009, which generally corresponded to the increase in the operator costs we pay to the airport operator and also due to the first full year of operations at the airport, which commenced in May 2008.

- An increase of Rs. 37.27 million, or 38.8%, in other terminalling services income relating to the Navghar, Navi Mumbai terminal, including an increase in the pass through fees relating to our evacuation of naptha for ONGC, which was offset by a Rs. 29.32 million, or 7.8%, decrease in tank rental income at the Navghar terminal primarily due to lower tank utilization.

- An increase of Rs. 17.62 million, or 7.9%, in income from terminal operation and maintenance primarily due to the initial inflation-linked contractual escalation with respect to our operation and maintenance contracts for the non-Promoter public sector company petroleum terminals in central Rajasthan, Haryana, a Gujarat Port and an inland location in Gujarat, as well as an increase of Rs. 13.92 million due to the first full year of operations of the fifth non-Promoter public sector company petroleum terminal in north Rajasthan, which commenced operations in September 2008.

Construction and Engineering Services

Income from construction and engineering services decreased by Rs. 645.39 million, or 4.7%, to Rs. 13,780.98 million in the year ended March 31, 2010 from Rs. 14,426.37 million in the year ended March 31, 2009, primarily as a result of the effects of the general economic slowdown which caused the major players in the domestic oil and gas sector to delay capital expansion plans beginning in the second half of the year ended March 31, 2009. Although we substantially completed the offsite and storage facilities for the Naphtha Cracker at Panipat for Indian Oil, the storage tanks and terminal facilities at Sohar Industrial Port, Oman for Oiltanking Odfjell Terminal Company, the intermediate crude oil storage terminal and pumping facilities for Viramgam Terminal for the Barmer Salaya Pipeline Project at Viramgam for a British oil and gas company, the construction of offsite facilities and utilities (EPCC-6B Package) for the residue upgradation and quality improvement project at the Gujarat Refinery at Vadodara for Indian Oil, and the construction of utilities and offsite facilities (EPCC-6A Package) for the residue upgradation project at the Gujarat Refinery at Vadodara for Indian Oil during the year ended March 31, 2010, a substantial portion of the revenues related to these projects where recognized during the year ended March 31, 2009. During the second half of the year ended March 31, 2010 we received orders for the Paradip Refinery Storage Terminal, the coke drum system package for the DCU process plant project at Guwahati for Indian Oil's refinery, the storage of crude oil project at Andhra Pradesh and phases 4 and 5 of the expansion of the storage tanks and terminal facilities at Sohar Industrial Port, Oman for Oiltanking Odfjell Terminal Company.

Other Sales

Income from other sales decreased by Rs. 57.44 million, or 20.7%, to Rs. 219.95 million in the year ended March 31, 2010 from Rs. 277.39 million in the year ended March 31, 2009, primarily as a result of fewer orders received by our manufacturing business.

Other Income

Other income decreased by Rs. 37.65 million, or 33.8%, to Rs. 73.71 million in the year ended March 31, 2010 from Rs. 111.36 million in the year ended March 31, 2009, primarily as a result of a decrease of Rs. 87.70 million due to adverse exchange rate fluctuations, principally the depreciation of the U.S. Dollar against the Rupee, which was partially offset by:

- An increase of Rs. 25.98 million, or 23.3%, in profit on sale of fixed assets primarily due to our sale of office space in the year ended March 31, 2010.

- An increase of Rs. 24.07 million, or 21.6%, in interest income, rental income, other miscellaneous and income from current investments primarily due to our investment of current funds.

Operating Expenses and Profit Before Interest, Depreciation, Tax and Amortization

Total operating expenses decreased by Rs. 850.63 million, or 6.4%, to Rs. 12,471.36 million in the year ended March 31, 2010 from Rs. 13,321.99 million in the year ended March 31, 2009, primarily as a result of a decrease in the cost of construction and engineering services.

Profit before interest, depreciation, tax and amortization increased by Rs. 257.57 million, or 10.0%, to Rs. 2,821.27 million in the year ended March 31, 2010 from Rs. 2,563.70 million in the year ended March 31, 2009.

Cost of Construction and Engineering Services

Cost of construction and engineering services decreased by Rs. 1,289.80 million, or 10.5%, to Rs. 11,015.92 million in the year ended March 31, 2010 from Rs. 12,305.72 million in the year ended March 31, 2009, primarily as a result of:

- A decrease of Rs. 839.36 million, or 20.6%, in sub-contracting costs in the year ended March 31, 2010 primarily due to lower levels of project contract execution. In the year ended March 31, 2010, sub-contracting costs represented 29.4% of our total cost of construction and engineering services, as compared to 33.1% in the year ended March 31, 2009 as we were able to reduce the amount of work we sub-contracted by utilizing our in-house capabilities.

- A decrease of Rs. 306.97 million, or 4.7% in the cost of construction materials in the year ended March 31, 2010 primarily due to lower levels of project contract execution. In the year ended March 31, 2010, the cost of construction materials represented 57.2% of our total cost of construction and engineering services, as compared to 53.7% in the year ended March 31, 2009.

- A decrease of Rs. 249.91 million, or 55.0%, in general and administrative expenses directly attributable to construction and engineering services primarily due to the absence in the year ended March 31, 2010 of a warranty provision made by IOTECS Oman with respect to phases 1, 2 and 3 of the storage tanks and terminal facilities at Sohar Industrial Port, Oman in the year ended March 31, 2009, which was reversed following the expiration of the defect liability period during the year ended March 31, 2010.

Personnel Expenses

Personnel expenses increased by Rs. 181.23 million, or 38.7%, to Rs. 649.52 million in the year ended March 31, 2010 from Rs. 468.29 million in the year ended March 31, 2009, primarily as a result of an increase in headcount at IOT Anwesha and our first full year of ownership of Newsco Asia, as well as increased levels of compensation to retain key employees at certain of our subsidiaries.

Operating and Other Expenses

Operating and other expenses increased by Rs. 257.95 million, or 47.1%, to Rs. 805.93 million in the year ended March 31, 2010 from Rs. 547.98 million in the year ended March 31, 2009, primarily as a result of:

- An increase of Rs. 142.28 million, or 33.7%, in airport operator fees primarily due to an increase in the rates payable to a private sector international airport in south India, as well as expenses associated with the first full year of operations at the airport, which commenced operations in May 2008.
- An increase of Rs. 37.86 million relating to our lease of new office premises.
- Rs. 30.65 million in bad debts written off primarily as a result of the write-off of disputed billings.
- An increase of Rs. 18.83 million, or 51.4%, in wharfage charges primarily relating to a higher export consignment of naphtha by ONGC at the Navghar terminal.
- Rs. 15.9 million, or 30.9%, in miscellaneous terminalling expenses primarily as the first full year of operation of the non-Promoter public sector company petroleum terminal in north Rajasthan, which commenced operations in September 2008, and general increases due to inflation.

Segment Results

Our terminalling segment result increased by Rs. 12.81 million, or 3.1%, to Rs. 420.23 million in the year ended March 31, 2010 from Rs. 407.42 million in the year ended March 31, 2009. Our construction and engineering segment result decreased by Rs. 102.7 million, or 5.1%, to Rs. 1,903.87 million in the year ended March 31, 2010 from Rs. 2,006.57 million in the year ended March 31, 2009.

Interest and Finance Charges

Interest and finance charges increased by Rs. 59.66 million, or 15.1%, to Rs. 455.98 million in the year ended March 31, 2010 from Rs. 396.32 million in the year ended March 31, 2009, primarily as a result of, (i) a higher level of working capital borrowings, (ii) the first full year of interest expense on our loan for the acquisition of Newsco Asia, a subsidiary of Newsco Canada, and (iii) our loan to finance the construction of new office premises. These factors were partially offset by a lower interest rate environment, particularly for short-term working capital loans.

Our consolidated outstanding borrowings as of March 31, 2010 were Rs. 5,077.36 million, as compared to Rs. 4,773.47 million as of March 31, 2009.

Depreciation

Depreciation increased by Rs. 109.43 million, or 29.8%, to Rs. 476.79 million in the year ended March 31, 2010 from Rs. 367.36 million in the year ended March 31, 2009, primarily as a result of depreciation expense associated with our first full year of ownership of Newsco Asia and depreciation expense associated with new construction equipment and other construction-related facilities.

Profit Before Tax

Profit before tax increased by Rs. 88.48 million, or 4.9%, to Rs. 1,888.50 million in the year ended March 31, 2010 from Rs. 1,800.02 million in the year ended March 31, 2009.

Taxation

Tax increased by Rs. 39.49 million, or 7.8%, to Rs. 542.81 million in the year ended March 31, 2010 from Rs. 503.32 million in the year ended March 31, 2009, primarily as a result of higher deferred tax provisions with respect to our operations in Oman. Current tax decreased by Rs. 14.04 million, or 2.6%, to Rs. 530.69 million in the year ended March 31, 2010 from Rs. 544.73 million in the year ended March 31, 2009, primarily as a result of the abolition of fringe benefit tax as of July 2009. Deferred tax was Rs. 12.12 million in the year ended March 31, 2010, as compared to a deferred tax credit of Rs. 41.41 million recognized in the year ended March 31, 2009. In the year ended March 31, 2009, we offset against our taxable profits for our operations in Oman certain expenses associated with warranty provisioning that are not allowed until such time as the warranty expenses are actually incurred.
Our effective tax rate in the year ended March 31, 2010 was 28.7%, as compared to 28.0% in the year ended March 31, 2009.

Profit After Tax

Net profit before minority interests decreased by Rs. 17.39 million, or 1.3%, to Rs. 1,279.31 million in the year ended March 31, 2010 from Rs. 1,296.70 million in the year ended March 31, 2009. Net profit attributable to minority interests decreased by Rs. 8.10 million, or 2.4%, to Rs. 324.20 million in the year ended March 31, 2010 from Rs. 332.30 million in the year ended March 31, 2009, primarily as a result of a lower profit after tax in our non-wholly owned consolidated subsidiaries. As a result, profit after tax decreased by Rs. 9.30 million, or 1.0%, to Rs. 955.11 million in the year ended March 31, 2010 from Rs. 964.41 million in the year ended March 31, 2009. Profit after tax included a prior period adjustment of Rs. 66.38 million, which related to exchange rate related adjustment of previous year which has been reallocated to the year ended March 31, 2009 for the purposes of our consolidated restated statement of profit and loss.

Year ended March 31, 2009 compared to year ended March 31, 2008

Income and Segment Revenue

Our total income increased by Rs. 4,933.45 million, or 45.04%, to Rs. 15,885.70 million in the year ended March 31, 2009 from Rs. 10,952.25 million in the year ended March 31, 2008. Total income from operations increased by Rs. 4,882.38 million, or 44.8%, to Rs. 15,774.34 million in the year ended March 31, 2009 from Rs. 10,891.96 million in the year ended March 31, 2008. The increases were primarily attributable to an increase in income from construction and engineering services.

Revenues for our terminalling segment increased by Rs. 419.27 million, or 64.4%, to Rs. 1,070.58 million in the year ended March 31, 2009 from Rs. 651.31 million in the year ended March 31, 2008.

Revenues for our construction and engineering segment increased by Rs. 4,463.11 million, or 43.6%, to Rs. 14,703.76 million in the year ended March 31, 2009 from Rs. 10,240.65 million in the year ended March 31, 2008. Within our construction and engineering segment, we recognized revenues from our Upstream Services Business, of Rs. 185.13 million as a result of our acquisition of Newsco Asia in August 2008.

Terminalling Services

Income from terminalling services increased by Rs. 419.27 million, or 64.4%, to Rs. 1,070.58 million in the year ended March 31, 2009 from Rs. 651.31 million in the year ended March 31, 2008, primarily as a result of:

- A increase of Rs. 130.37 million due to the first full year of operations of the non-Promoter public sector company petroleum terminals in central Rajasthan, Haryana, a Gujarat Port and an inland location in Gujarat, which commenced operations in March 2008.

- An increase of Rs. 112.07 million due to the commencement in May 2008 of operations of IOSL at a private sector international airport in South India.

- An increase of Rs. 83.73 million primarily due to inflation-linked contractual escalation relating to the Navghar, Navi Mumbai terminal.

- An increase of Rs. 52.14 million related to the first full year of operations of the CPCL LPG Bottling Plant at Chennai, which commenced in February 2008.

- A increase of Rs. 27.46 million due to the commencement in September 2008 of operations of the non-Promoter public sector company petroleum terminal in north Rajasthan.

Construction and Engineering Services

Income from construction and engineering services increased by Rs. 4,481.99 million, or 45.01%, to Rs. 14,426.37 million in the year ended March 31, 2009 from Rs. 9,944.38 million in the year ended March 31, 2008, primarily as result of revenue recognition with respect to the offsite and storage facilities project for the Indian Oil Panipat naphtha cracker, the offsite and utilities facilities projects for the Indian Oil refinery project at Vadodara, phases 1, 2 and 3 of the terminal facilities project at the industrial port at Sohar, Oman and the tank farm facilities for a British oil and gas company at Viramgam. Additionally, the year ended March 31, 2009 was our first full year of ownership of IOT Anwesha, which we acquired in June 2008 and IOTEP, which we acquired in August 2008.

Other Sales

Income from other sales decreased by Rs. 18.88 million, or 6.4%, to Rs. 277.39 million in the year ended March 31, 2009 from Rs. 296.27 million in the year ended March 31, 2008, primarily as a result of fewer orders received by our manufacturing business.

Other Income

Other income increased by Rs. 51.07 million, or 84.7%, to Rs. 111.36 million in the year ended March 31, 2009 from Rs. 60.29 million in the year ended March 31, 2008. The principal increase was an exchange gain of Rs. 99.12 million resulting primarily from the translation gain on redeemable preference shares in IOT Canada allotted to IOT Infrastructure and Energy Services Limited in connection with our acquisition of Newsco Asia.

The exchange gains were partially offset by

- A decrease of Rs. 32.25 million, or 100.0%, in income from mutual funds primarily resulting from reduction in short term investments.

- A decrease of Rs. 20.81 million in profit on sales of fixed assets due to the absence in the year ended March 31, 2009 of certain one-off profits from the sale of fixed assets during the year ended March 31, 2008.

Operating Expenses and Profit Before Interest, Depreciation, Tax and Amortization

Total operating expenses increased by Rs. 3,576.28 million, or 36.7%, to Rs. 13,321.99 million in the year ended March 31, 2009 from Rs. 9,745.71 million in the year ended March 31, 2008, primarily as a result of an increase in the cost of construction and engineering services. Profit before interest, depreciation, tax and amortization increased by Rs. 1,357.16 million, or 112.5%, to Rs. 2,563.70 million in the year ended March 31, 2009 from Rs. 1,206.54 million in the year ended March 31, 2008.

Cost of Construction and Engineering Services

Cost of construction and engineering services increased by Rs. 3,069.24 million, or 33.2%, to Rs. 12,305.72 million in the year ended March 31, 2009 from Rs. 9,236.48 million in the year ended March 31, 2008, primarily as a result of:

- An increase of Rs. 3,150.82 million, or 91.1%, in the cost of construction materials primarily relating to the increases in business activity and the price of steel and other materials. In the year ended March 31, 2009, the cost of construction materials represented 53.7% of our total cost of construction and engineering services, as compared to 37.4% in the year ended March 31, 2008. The percentage increase primarily reflects the increasing use of in-house capabilities for mechanical engineering, piping and construction work, which were reflected by a decrease in sub-contracting costs.

- An increase of Rs. 289.95 million, or 176.2%, in general and administrative expenses primarily as a result of a warranty provision made by IOTECS Oman with respect to phases 1, 2 and 3 of the storage tanks and terminal facilities at Sohar Industrial Port, Oman in the year ended March 31, 2009, which was reversed following the expiration of the defect liability period during the year ended March 31, 2010.

- An increase of Rs. 96.71 million, or 58.1%, in legal and professional charges primarily relating to technical and engineering fees paid in connection with the preparation of project bids.

These increases were partially offset by a decrease in sub-contracting costs of Rs. 876.60 million, or 17.7%, primarily resulting from of our acquisitions of IOT Anwesha in January 2008 and IOTEP in August 2008, which reduced our reliance on sub-contractors to provide mechanical engineering, piping and construction work for our projects. In the year ended March 31, 2009, sub-contracting costs represented 33.1% of our total cost of construction and engineering services, as compared to 53.6% in the year ended March 31, 2008.

Personnel Expenses

Personnel expenses increased by Rs. 256.61 million, or 121.2%, to Rs. 468.29 million in the year ended March 31, 2009 from Rs. 211.68 million in the year ended March 31, 2008, primarily as a result of:

- Increases in personnel costs associated with our first full year of operations of the non-Promoter public sector company petroleum terminals in central Rajasthan, Haryana, a Gujarat Port and an inland location in Gujarat, the CPCL LPG bottling plant at Chennai, the first year of operation of Indian Oil Skytanking and our first year of ownership of the Newsco Asia business.

- Increases in compensation levels for certain key employees on the basis of our annual review conducted by external consultants, as well as provisioning for deferred bonuses which were introduced in April 2008.

- Increases in personnel costs associated with increased headcount within our EPC business.

Operating and Other Expenses

Operating and other expenses increased by Rs. 250.43 million, or 84.2%, to Rs. 547.98 million in the year ended March 31, 2009 from Rs. 297.55 million in the year ended March 31, 2008, primarily as a result of:

- Increases in expenses generally resulting from our acquisition of IOTEP in August 2008, our acquisition of IOT Anwesha in January 2009, our acquisition of IOTDE in December 2007, our commencement of operations in Oman in April 2007, the commencement of operations of the non-Promoter public sector company petroleum terminals in central Rajasthan, Haryana, a Gujarat Port and an inland location in Gujarat in April 2008 and the CPCL LPG bottling plant at Chennai in February 2008 and the commencement of operations of the non-Promoter public sector company petroleum terminal in north Rajasthan in September 2008.

- An increase in legal and professional expenses and overseas travel primarily relating to our acquisition of Newsco Asia.

- An increase in technical and engineering expenses relating to the preparation of project bids.

Segment Results

Our terminalling segment result increased by Rs. 145.00 million, or 55.3%, to Rs. 407.42 million in the year ended March 31, 2009 from Rs. 262.42 million in the year ended March 31, 2008. Our construction and engineering segment result increased by Rs. 1,094.92 million, or 120.1%, to Rs. 2,006.57 million in the year ended March 31, 2009 from Rs. 911.65 million in the year ended March 31, 2008.

Interest and Finance Charges

Interest and finance charges increased by Rs. 188.82 million, or 91.0%, to Rs. 396.32 million in the year ended March 31, 2009 from Rs. 207.50 million in the year ended March 31, 2008, primarily as a result of an increase in borrowings relating to our construction of the aviation fuel farm facility at a private sector international airport in South India, our acquisition of Newsco Asia, our new office building and working capital requirements.

Our consolidated outstanding borrowings as of March 31, 2009 were Rs. 4,773.47 million, as compared to Rs. 2,355.61 million as of March 31, 2008.

Depreciation

Depreciation increased by Rs. 153.11 million, or 71.5%, to Rs. 367.36 million in the year ended March 31, 2009 from Rs. 214.25 million in the year ended March 31, 2008, primarily as a result of our first full year of depreciation expense relating to Newsco Asia, the aviation fuel farm facility at a private sector international airport in South India and the CPCL LPG bottling plant in Chennai.

Profit Before Tax

Profit before tax increased by Rs. 1,015.23 million, or 129.4%, to Rs. 1,800.02 million in the year ended March 31, 2009 from Rs. 784.79 million in the year ended March 31, 2008.

Taxation

Tax increased by Rs. 269.61 million, or 115.4%, to Rs. 503.32 million in the year ended March 31, 2009 from Rs. 233.71 million in the year ended March 31, 2008, primarily as a result of the increase in profit before taxes. Current tax increased by Rs. 305.98 million, or 128.2%, to Rs. 544.73 million in the year ended March 31, 2009 from Rs. 238.75 million in the year ended March 31, 2008. Deferred tax credit was Rs. 41.41 million in the year ended March 31, 2009, as compared to a deferred tax credit of Rs. 5.04 million in the year ended March 31, 2008. In the year ended March 31, 2009 we offset against our taxable profits for our operations in Oman certain expenses associated with warranty provisioning that are not allowed until such time as the warranty expenses are actually incurred and were reversed the deferred tax credit in the year ended March 31, 2010.

Profit After Tax

Net profit before minority interests increased by Rs. 745.62 million, or 135.3%, to Rs. 1,296.70 million in the year ended March 31, 2009 from Rs. 551.08 million in the year ended March 31, 2008. Net profit attributable to minority interests increased by Rs. 256.10 million, or 336.1%, to Rs. 332.30 million in the year ended March 31, 2009 from Rs. 76.20 million in the year ended March 31, 2008, primarily as a result of minority interests in IOT Anwesha, in which we acquired an 81.0% equity interest in January 2008. As a result, profit after tax increased by Rs. 489.53 million, or 103.1%, to Rs. 964.41 million in the year ended March 31, 2009 from Rs. 474.88 million in the year ended March 31, 2008. Profit after tax in the year ended March 31, 2009 did not include an exchange rate-related adjustment which was made during the year ended March 31, 2010 and has been reallocated to the year ended March 31, 2009 for the purposes of our consolidated restated statement of profit and loss.

Year ended March 31, 2008 compared to year ended March 31, 2007

Income and Segment Revenue

Our total income increased by Rs. 5,854.54 million, or 114.8%, to Rs. 10,952.25 million in the year ended March 31, 2008 from Rs. 5,097.96 million in the year ended March 31, 2007. Total income from operations increased by Rs. 5,803.83 million, or 114.1%, to Rs. 10,891.96 million in the year ended March 31, 2008 from Rs. 5,088.13 million in the year ended March 31, 2007. The increases were primarily attributable to an increase in income from construction and engineering services.

Revenues for our terminalling segment increased by Rs. 67.97 million, or 11.7%, to Rs. 651.31 million in the year ended March 31, 2008 from Rs. 583.34 million in the year ended March 31, 2007.

Revenues for our construction and engineering segment increased by Rs. 5,735.86 million, or 127.3%, to Rs. 10,270.65 million in the year ended March 31, 2008 from Rs. 4,504.79 million in the year ended March 31, 2007.

Terminalling Services

Income from terminalling services increased by Rs. 67.97 million, or 11.7%, to Rs. 651.31 million in the year ended March 31, 2008 from Rs. 583.34 million in the year ended March 31, 2007, primarily as a result of:

- An increase of Rs. 41.60 million relating to our terminal in Navghar, Navi Mumbai, primarily relating to a higher export consignment of naphtha by ONGC, as well as an increase in tank rental income at Navghar, Navi Mumbai terminal primarily due to inflation-linked contractual escalation.

- An increase of Rs. 18.60 million relating to new operation and maintenance contracts with respect to the non-Promoter public sector company petroleum terminals in central Rajasthan, Haryana, a Gujarat Port and an inland location in Gujarat.

- An increase of Rs. 9.05 million as well as inflation-linked contractual escalations in our operation and maintenance contracts at Goa facility and Navghar terminal.

- An increase of Rs. 8.92 million relating from the first year of operations of the CPCL LPG bottling plant in Chennai which began in February 2008.

These increases were offset by a decrease in revenue of Rs. 10.20 million resulting from the non-renewal of our O&M service contracts at four terminals.

Construction and Engineering Services

Income from construction and engineering services increased by Rs. 5,778.11 million, or 138.7%, to Rs. 10,240.65 million in the year ended March 31, 2008 from Rs. 4,166.27 million in the year ended March 31, 2007, primarily as a result of

- An increase in income of Rs. 5,680.42 million under our contract for the offsite and storage facilities for Indian Oil's Naphtha Cracker at Panipat, which we were awarded in August 2006.

- Revenues of Rs. 1,772.82 million derived from our award in April 2007 of the contract for phases 1, 2 and 3 of the storage tanks and terminal facilities at Sohar International Port, Oman for Oiltanking Odfjell Terminal Company.

Other Sales

Income from other sales decreased by Rs. 42.25 million, or 12.5%, to Rs. 296.27 million in the year ended March 31, 2008 from Rs. 338.52 million in the year ended March 31, 2007, primarily as a result of as a result of fewer orders received by our manufacturing business.

Other Income

Other income increased by Rs. 50.46 million, or 513.3%, to Rs. 60.29 million in the year ended March 31, 2008 from Rs. 9.83 million in the year ended March 31, 2007, primarily as a result of increases in income from current investments relating to increased investment in mutual funds and profits on sale of fixed assets.

Operating Expenses and Profit Before Interest, Depreciation, Tax and Amortization

Total operating expenses increased by Rs. 5,356.44 million, or 122.0%, to Rs. 9,745.71 million in the year ended March 31, 2008 from Rs. 4,389.27 million in the year ended March 31, 2007, primarily as a result of an increase in the cost of construction and engineering services. Profit before interest, depreciation and amortization increased by Rs. 497.85 million, or 70.25%, to Rs. 1,206.54 million in the year ended March 31, 2008 from Rs. 708.69 million in the year ended March 31, 2007.

Cost of Construction and Engineering Services

Cost of construction and engineering services increased by Rs. 5,146.55 million, or 126.0%, to Rs. 9,236.48 million in the year ended March 31, 2008 from Rs. 4,089.93 million in the year ended March 31, 2007, primarily as a result of:

- An increase of Rs. 2,499.86 million, or 261.1%, to Rs. 3,457.41 million in the year ended March 31, 2008, in the cost of construction materials primarily relating to increases in business activity and an escalation in steel prices in the year ended March 31, 2008, as compared to the year ended March 31, 2007. In the year ended March 31, 2008, the cost of construction materials represented 37.4% of our total cost of construction and engineering services, as compared to 23.4% in the year ended March 31, 2007.

- An increase of Rs. 2,269.69 million, or 84.7%, in sub-contracting-costs primarily relating to the increase in business activity. However, in the year ended March 31, 2008, sub-contracting costs represented 53.6% of our total cost of construction and engineering services, as compared to 65.6% in the year ended March 31, 2007 primarily as a result of increased activity in our operations in Oman, where we typically sub-contract a lower proportion of work, as well as our acquisition of IOTEP in August 2008.

Personnel Expenses

Personnel expenses increased by Rs. 124.28 million, or 142.2%, to Rs. 211.68 million in the year ended March 31, 2008 from Rs. 87.40 million in the year ended March 31, 2007, primarily as a result of:

- Expenses of Rs. 76.31 million associated with the first year of operations of IOTEP, IOT Anwesha, IOTDE and IOTECS Oman.

- Increases in compensation levels for certain key employees on account of annual increments and inflationary compensation.

- Increases in personnel costs associated with increased headcount to accommodate the increased activity levels, as well as general increases in employee salaries.

Operating and Other Expenses

Operating and other expenses increased by Rs. 85.61 million, or 40.4%, to Rs. 297.55 million in the year ended March 31, 2008 from Rs. 211.94 million in the year ended March 31, 2007, primarily as a result of:

- Increases in operating and other expenses primarily resulting from our first full year of operations at IOTECS Oman and the commencement of operations at IOT Anwesha and IOTDE and in January 2008 and December 2007, respectively, as well the commencement of operations of the non-Promoter public sector company petroleum terminals in central Rajasthan, Haryana, a Gujarat Port and an inland location in Gujarat in March 2008.

- An increase in legal and professional expenses primarily relating to our Company's tenth year commemoration, fees paid to a third party for assessing our training needs and compensation structure and the implementation of our employee stock option plan.

Segment Results

Our terminalling segment result increased by Rs. 20.53 million, or 8.5%, to Rs. 262.42 million in the year ended March 31, 2008 from Rs. 241.89 million in the year ended March 31, 2007. Our construction and engineering segment result increased by Rs. 557.42 million, or 172.8%, to Rs. 911.65 million in the year ended March 31, 2008 from Rs. 334.23 million in the year ended March 31, 2007.

Interest and Finance Charges

Interest and finance charges increased by Rs. 77.54 million, or 60.0%, to Rs. 207.50 million in the year ended March 31, 2008 from Rs. 129.96 million in the year ended March 31, 2007, primarily as a result of interest paid on a Rs. 1,072.80 million mobilization advance taken in March 2007 with respect to the offsite and storage facilities for the Naphtha Cracker at Panipat for Indian Oil and increased borrowings.

Our consolidated outstanding borrowings as of March 31, 2008 were Rs. 2,355.61 million, as compared to Rs. 1,604.90 million as of March 31, 2007.

Depreciation

Depreciation increased by Rs. 19.60 million, or 10.1%, to Rs. 214.25 million in the year ended March 31, 2008 from Rs. 194.65 million in the year ended March 31, 2007, primarily as a result of depreciation expense associated with our first year of operations of IOTECS Oman and IOTEP, as well as the CPL LPG bottling plant at Chennai, and additions to equipment and fixed assets.

Profit Before Tax

Profit before tax increased by Rs. 400.71 million, or 104.3%, to Rs. 784.79 million in the year ended March 31, 2008 from Rs. 384.08 million in the year ended March 31, 2007.

Taxation

Tax increased by Rs. 79.67 million, or 51.7%, to Rs. 233.71 million in the year ended March 31, 2008 from Rs. 154.04 million in the year ended March 31, 2007, primarily as a result of the increase in profits. Current tax increased by Rs. 134.37 million, or 128.7%, to Rs. 238.75 million in the year ended March 31, 2008 from Rs. 104.38 million in the year ended March 31, 2007, primarily as a result of as certain expense provisions made during the year were disallowed due to which our tax provision increases and thus our current tax incidence increases. Deferred tax credit was Rs. 5.04 million in the year ended March 31, 2008, as compared to a deferred taxes of Rs. 49.66 million in the year ended March 31, 2007.

Profit After Tax

Net profit before minority interests increased by Rs. 321.05 million, or 139.6%, to Rs. 551.08 million in the year ended March 31, 2008 from Rs. 230.03 million in the year ended March 31, 2007, primarily as a result of increased level of profits and, in particular, profit contributed by IOTECS Oman in its first year of operation in April 2007 and IOT Anwesha, which we acquired in January 2008. Net profit attributable to minority interests increased by Rs. 64.98 million, or 579.1%, to Rs. 76.20 million in the year ended March 31, 2008 from Rs. 11.22 million in the year ended March 31, 2007, primarily as a result the overall increase in profits as well as profits attributable minority interests in subsidiaries we acquired during the year ended March 31, 2008, specifically the 19.0% minority interest in IOT Anwesha and the 30.0% minority interest in IOTECS Oman. As a result, profit after tax increased by Rs. 256.07 million, or 117.0%, to Rs. 474.88 million in the year ended March 31, 2008 from Rs. 218.81 million in the year ended March 31, 2007.

Liquidity and Capital Resources

Our primary liquidity requirements are to finance our working capital needs relating to the performance of project contracts and general corporate purposes and our expected capital expenditure for the purchase of construction equipment, the completion of internal development projects and to fund acquisitions.

Our business requires a significant amount of working capital to, among other things, finance the purchase of materials for and the performance of engineering, construction and other projects before payment is received from customers. Our working capital requirements has steadily increased over the period from March 31, 2008 through March 31, 2010, mainly due to the increase in the size of our EPC Business, as well as the increase in the value of the projects we have undertaken. As we continue to undertake EPC projects of increasing size, our working capital requirements will increase and we may become more susceptible fluctuations in working capital requirements and, in particular, may be more susceptible to liquidity issues due to delays in large EPC projects.

In addition, we have entered and expanded our presence in several businesses over the past three years through continued investment in our existing business and the acquisition or formation of new subsidiaries.

In the year ended March 31, 2008, we acquired an 81.0% equity interest in Anwesha Comtech Engineering Ltd, a company which specialises in the construction of storage tanks, structurals, piping and associated facilities for refineries, terminals, fertilizer and chemical plants for a total consideration of Rs. 234.90 million.

In the year ended March 31, 2008, we also invested equity capital of Rs. 20.00 million and Rs. 149.30 million, respectively, for the purpose of establishing two new subsidiaries: IOTDE, which provides design engineering capabilities and IOTEP, a specialist construction company.

In August 2008, we acquired 49.99% of the equity interests in Newsco Asia for Rs. 421.00 million in cash and Rs. 320.45 million in promissory notes. In the second stage of the acquisition in April 2010, we acquired an additional

25.0% of the equity interests in Newsco Asia for Rs. 258.13 million in cash. The third and final stage of the acquisition is scheduled to occur in September 2011, pursuant to which we will acquire the remaining equity interest in Newsco Asia for a consideration of $6.75 million (equivalent to Rs. 317.79 million as on August 31, 2010*)*.

On August 12, 2010 we entered into a non-binding term sheet to acquire a 60.0% equity interest each in Newsco Canada and certain related entities by September 30, 2010. The consideration for the proposed acquisition of Newsco Canada will consist of our shares of Newsco Asia and cash. Pursuant to the completion of our proposed acquisition of Newsco Asia on September 14, 2011, we intend to reconsolidate the Newsco Asia business with Newsco Canada's global platform. We believe the proposed Newsco Canada acquisition, if consummated, will provide us with a global directional drilling business with exclusive access to Newsco Canada's directional drilling technology, research and development and MWD tools on a global basis. We believe Newsco Canada's business will benefit from our access to financing and business development capabilities.

In the year ended March 31, 2010, we increased our investment in our business in the Asia-Pacific region, with an additional equity capital injection of Rs. 30.41 million for the further development of the existing subsidiary IOTECS Singapore.

In the year ended March 31, 2010, we established IOT Utkal for the purposes of the Paradip Refinery Storage Terminal. Since establishing IOT Utkal, we have made a total equity investment of Rs. 787.50 million as on July 31, 2010.

We intend to finance our expected working capital needs and capital expenditure through a mix of internal cash flows and borrowings.

Cash Flow

The following table sets out our consolidated and summarized cash flows for each of the periods indicated:

(Rs. in million)

Particulars	**Year ended March 31,**		
	2010	**2009**	**2008**
Net cash from/(used in) operating activities	501.80	(225.53)	(627.74)
Net cash (used in) investing activities	(516.06)	(1,709.01)	(893.35)
Net cash from/(used in) financing activities	(670.88)	1,792.51	2,150.52
Net increase/(decrease) in cash..	(685.14)	(140.02)	629.44

Operating activities

We generated net cash from operating activities of Rs. 501.80 million in the year ended March 31, 2010, as compared to net cash used in operating activities of Rs. 225.53 million in the year ended March 31, 2009. Our operating profit before working capital adjustments in the year ended March 31, 2010 was Rs. 2,732.13 million, as compared to Rs. 3,030.29 million in the year ended March 31, 2009. Our working capital adjustments in the year ended March 31, 2010 included:

- An increase in current liabilities and provisions of Rs. 2,225.99 million, which primarily related to advance receipts from customers in our EPC Business and a reclassification of certain liabilities as current liabilities from loans.

- An increase in other current assets of Rs. 2,418.09 million, which primarily related to unbilled work-in-progress of various projects, offsite facilities and utilities project at the Gujarat Refinery at Vadodara for Indian Oil and the offsite and storage facilities for the Naptha Cracker at Panipat for Indian Oil.

- An increase in trade debtors of Rs. 867.37 million, which primarily related to an increase in business resulting in additional billed work in progress in our EPC Business.

We paid income taxes of Rs. 588.09 million in the year ended March 31, 2010.

We used net cash in operating activities of Rs. 225.53 million in the year ended March 31, 2009, as compared to net cash used in operating activities of Rs. 627.74 million in the year ended March 31, 2008. Our operating profit before working capital adjustments in the year ended March 31, 2009 was Rs. 3,030.29 million, as compared to Rs. 1,176.03 million in the year ended March 31, 2008. Our working capital adjustments in the year ended March 31, 2009 included:

- An increase in other current assets of Rs. 1,708.58 million, which primarily related to work in progress on EPC projects, primarily the offsite facilities and utilities project at the Guwahati Refinery at Vadodara for Indian Oil, and the civil works for the Bhagyam field development project in Rajathan for a British oil and gas company.

- A decrease in current liabilities and provisions of Rs. 780.47 million, which primarily related to a reduction in related to advance receipts from customers in our EPC Business resulting primarily from the works (phases 4 and 5) in connection with the storage tanks and terminal facilities at Sohar Industrial Port, Oman for Oiltanking Odfjell Terminal Company; and

- An increase in trade debtors of Rs. 432.79 million, which primarily related to increased business activity and the acquisition and consolidation of Newsco Asia.

We paid income taxes of Rs. 530.28 million in the year ended March 31, 2009.

We used net cash in operating activities of Rs. 627.74 million in the year ended March 31, 2008, as compared to net cash generated by operating activities of Rs. 1,224.19 million in the year ended March 31, 2007. Our operating profit before working capital adjustments in the year ended March 31, 2008 was Rs. 1,176.03 million, as compared to Rs. 715.46 million in the year ended March 31, 2007. Our working capital adjustments in the year ended March 31, 2008 included:

- An increase in current liabilities and provisions of Rs. 1,953.30 million, which primarily related to amounts owed to supplier and sub-contractors in respect of new EPC projects, including the offsite and storage facilities for the Indian Oil's Naphtha Cracker at Panipat for Indian Oil, the offsite tankage works for the Panipat Refinery Expansion Project for Indian Oil, the civil, structural and underground piping works for Offsite 2 for the Panipat Refinery Expansion Project for Indian Oil, and the revamping of gas gathering station-1 (GGS-1) at Rudrasagar (Assam) for ONGC.

- An increase in other current assets of Rs. 1,740.42 million, which primarily related to unbilled work-in-progress of various projects including the offsite and storage facilities for the Indian Oil's Naphtha Cracker at Panipat for Indian Oil, the design, fabrication and erection of crude oil storage tanks at Paradip for Indian Oil, and the revamping of gas gathering station-1 (GGS-1) at Rudrasagar (Assam) for ONGC.

- An increase in trade debtors of Rs. 843.35 million, which primarily related to outstanding bills in our operations for the storage tanks and terminal facilities at Sohar Industrial Port, Oman for Oiltanking Odfjell Terminal Company.

We paid income taxes of Rs. 218.77 million in the year ended March 31, 2008.

Investing Activities

Our net cash used in investing activities in the years ended March 31, 2008, 2009 and 2010 was Rs. 893.35 million, Rs. 1,707.01 million and Rs. 516.06 million, respectively.

In the year ended March 31, 2010, our principal uses of cash for investing activities were the acquisition of equipment for our EPC business and the construction of new office premises at Nahur.

In the year ended March 31, 2009, our principal uses of cash for investing activities were our acquisition of 49.99% of Newsco Asia, our acquisition of equipment for our EPC business and our acquisition of land for our new office premises at Nahur.

In the year ended March 31, 2008, our principal uses of cash for investing activities were the creation of work in progress, our acquisition of IOT Anwesha and costs associated with the construction of the CPCL LPG Bottling Plant in Chennai under a BOOT arrangement.

Financing activities

Our net cash used in financing activities in the year ended March 31, 2010 was Rs. 670.88 million, as compared to net cash from financing activities in the years ended March 31, 2009 and 2008 of Rs. 1,791.51 million and Rs. 2,150.00 million, respectively.

In the year ended March 31, 2010, our principal uses and source of cash for financing activity consisted of:

- A regrouping of Rs. 687.01 million in deferred consideration payable in respect of our acquisition of 49.99% of Newsco Asia from short-term borrowing to other liabilities.

- Interest payments of Rs. 478.86 million, which primarily related to borrowings for our acquisition of 49.99% of Newsco Asia.

- Net proceeds from long term borrowings of Rs. 344.99 million, which primarily related to new borrowings for working capital purposes.

- Proceeds of Rs. 150.00 million from a subscription for 10.0% of the outstanding shares in IOT Utkal by Oiltanking, which were subsequently allotted in June 2010.

In the year ended March 31, 2009, our principal uses and sources of cash for financing activity consisted of:

- Net proceeds from long term borrowings of Rs. 1,516.89 million, which primarily related to (i) new borrowings for the acquisition of a 49.99% equity interest in Newsco Asia of Rs. 458.11 million, (ii) new borrowings under IOTL's corporate loan of Rs. 596.20 million for the purchase of office land and buildings, and (iii) new foreign currency borrowings of Rs. 80.12 million for the purchase of construction equipment.

- Net proceeds of short-term borrowings of Rs. 946.81 million, primarily for capital requirements.

- Interest payments of Rs. 506.02 million.

- Dividends and dividend taxes paid of Rs. 165.42 million, primarily relating to dividend paid to Seven Seas in respect of their 30.0% equity interest in IOTECS Oman.

In the year ended March 31, 2008, our principal uses and sources of cash for financing activity consisted of:

- Proceeds of Rs. 1,605.59 million from the issuance of additional equity to our promoters.

- Net proceeds from long term borrowings of Rs. 637.89 million, which primarily consisted of borrowings of Rs. 292.70 million for working capital purposes, Rs. 131.70 million for the construction of the CPCL LPG bottling plant in Chennai and Rs. 199.33 million for the construction of the aviation turbine fuel tankfarm and hydrant system at a private sector international airport in South India.

- Net proceeds of short-term borrowing of Rs. 157.03 million, which primarily related to working capital requirements**.**

- Interest payments of Rs. 244.45 million.

Indebtedness

Our consolidated indebtedness as at March 31, 2010 was Rs. 5,077.36 million of which Rs. 4,160.33 million was secured debt and Rs. 917.33 million was unsecured debt. As of March 31, 2010, we had net available borrowings of Rs. 30,306.93 million under our existing loan facilities, including Rs. 23,528.50 million for the Paradip Refinery Storage Terminal. For additional information on the principal terms of our loan facilities, please refer Annexure XIV and Annexures XV of our consolidated restated financial statements in the section "Financial Statements" beginning on page 187 of this Draft Red Herring Prospectus.

Contractual obligations

The following table sets forth certain information relating to future payments due under known contractual commitments as of March 31, 2010, aggregated by type of contractual obligation:

(Rs. in millions)

	Total	**Commitments**		
		Within 1 year	**1-3 years**	**>3 years**
Operating Lease Obligations	50.60	10.35	15.51	24.74
Long term Debt Repayment	3,304.42	820.79	1,974.95	508.68

Contingent liabilities and Off-Balance Sheet Arrangements

Contingent Liabilities

General

Our primary contingent liabilities not provided for as of March 31, 2010 included the following:

(Rs. in millions)

Particulars	**Amount**
Disputed Income Tax Matters	114.89
Sales Tax Matter	0.58
Service Tax Matter	156.19
Wealth Tax	0.32
Right of way charges, rent and other matters	20.68
Grampanchayal Tax	58.47
Claims against the Company not acknowledged as debts being the amount deducted by the customer form the amount due to the Company	0.51
Total	**351.63**

Liquidated damages for EPC contracts

Our EPC contracts typically provide for the payment of liquidated damages in the event we fail to complete the relevant project within the relevant timeframe for reasons attributable to us. During the course of performing an EPC contract, we will raise instances where delays in contract performance are attributable to a client and, in certain instances will receive a formal or provisional extension. However, a final decision with respect to the attribution of the cause of the delay may not be resolved until completion of the project. In particular, PSU clients are typically unwilling to provide formal extensions prior to completion of EPC projects.

As of March 31, 2010, we were performing the following EPC contracts which we have not completed or do not expect to complete within the timeframe specified by the EPC contract:

- The offsite and storage facilities for the Naphtha Cracker at Panipat for Indian Oil - Mechanical completion was to be completed by August 28, 2006, with commissioning completed two months thereafter. However, the certificate of completion and commissioning was issued dated March 13, 2010. We have submitted a consolidated application for an unconditional extension of time without price discount to the project management consultant.

- The intermediate crude oil storage terminal and pumping facilities for Viramgam Terminal for the Barmer Salaya Pipeline Project at Viramgam for a British oil and gas company - A certificate of mechanical completion was issued on March 30, 2010 and the project is now in its 12 month warranty period. The original scope of work indicated required that mechanical completion occur by December 31, 2008, which was further extended to April 31, 2010 by letter dated March 16, 2010, subject to such extension being without prejudice to the customer's rights, including the right to apply liquidated damages from the original completion date of March 31, 2009.

- The construction of offsite facilities and utilities (EPCC-6B Package) for the residue upgradation and quality improvement project at the Gujarat Refinery at Vadodara for Indian Oil - Mechanical completion for the project was to be completed by July 2009 with commissioning two months thereafter. Completion was extended to July 2010. An extension has been granted by the customer till September 2010 without prejudice to the rights, claims, and conditions of the customer.

Where we are unable to reach agreement with the counterparty to our EPC contracts as to a permissible extension, we or the counterparty may resort to dispute resolution methods such as arbitration to resolve the measure of liquidated damages. A number of projects that we have undertaken have resulted in arbitration in relation to liquidated damages due to delays in project execution. For information relating to disputes relating to delays in the construction of projects, see the section entitled "Outstanding Litigation and Material Development" on page 310 of this Draft Red Herring Prospectus.

For the years ended March 31, 2009 and 2010, our total charges related to liquidated damages or discounts given to customers in connection to the project delays with respect to EPC projects were Rs. 30.06 million and Rs. 2.74 million.

Warranty costs

Where we are the principal contractor under an EPC contract, we remain responsible for ensuring satisfactory performance under the contract. Our EPC contracts typically have defect liability period or 18 months from the date of mechanical completion or 12 months from the date of commissioning. In the event of non-performance of any part of the facility during the defect liability period, we are required to take corrective action at our own expense.

We estimate the amount of liability for warranty claims on the basis of the technical assessment made by the project management. Based on this assessment and historical experience we provide 0.5% of cumulative revenue recognized in respect of contracts valued below Rs. 5,000.00 million and 0.25% for the contracts valued above Rs. 5,000.00 million.

As of March 31, 2010, we had provisions of Rs. 84.10 million for warranty costs. As of March 31, 2010, our projects under warranty under included the offsite and storage facilities for the Indian Oil's Naphtha Cracker at Panipat for Indian Oil, the intermediate crude oil storage terminal and pumping facilities for Viramgam Terminal for the Barmer Salaya Pipeline Project at Viramgam for a British oil and gas company, the revamping of gas gathering station-1 (GGS-1) at Rudrasagar (Assam) for ONGC, the construction of offsite facilities and utilities (EPCC-6B Package) for the residue upgradation and quality improvement project at the Gujarat Refinery at Vadodara for Indian Oil, and the construction of utilities and offsite facilities (EPCC-6A Package) for the residue upgradation project at the Gujarat Refinery at Vadodara for Indian Oil.

Contracts remaining to be executed on capital account

Contracts remaining to be executed on capital account reflects our estimated costs for the completion of projects under construction that we have not yet incurred. As of March 31, 2010, we had contracts remaining to be executed on capital account of Rs. 207.95 million. (Contracts remaining to be executed on capital account does not include contractual obligations under our EPC contracts.)

Bank guarantees

Within our EPC Business, we typically are required to provide a bank guarantee of 10.0% of the contract value to the customer to ensure our performance under the contract and to cover possible claims during the defect liability period. The performance guarantee is valid for the term of the contract, including the defect liability period. A majority of our projects typically have a completion schedule of 24 to 36 months and defects liability period of 18 months from mechanical completion or 12 months from commissioning, whichever is earlier. The customer typically releases the bank guarantee on the completion of the defects liability period. Further bank guarantees may also be provided to customers to receive mobilization advances, as bid bonds, and to secure liquidated damage claims.

As of March 31, 2010, we had outstanding bank guarantees of Rs. 8,635.20 million.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with unconsolidated entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Market Risk

Market risk is the risk of loss arising from adverse changes in market prices, including interest rates, foreign currency exchange rates and commodity prices. The following, which constitute "forward-looking statements" that involve risk and uncertainties, summarises our exposure to different market risks.

Credit risk

The payment obligations of certain of our customers are typically secured by collateral and letters of credit. We typically receive advances from customers against order inflows and payments are based on completion milestones defined in our EPC contracts. In general, however, we bear the risk of credit default by customers.

Interest rate risk

Our net profit is affected by changes in interest rates due to the impact such changes have on interest income from short-term deposits and other interest-bearing financial assets and liabilities and interest expense on our long-and short-term borrowings. In addition, an increase in the interest rates for our existing and future borrowings may adversely affect our ability to service long-term debt and to finance development of new projects, all of which in turn may adversely affect our results of operations, financial condition, planned capital expenditure and cash flows.

In particular, substantially all of our outstanding indebtedness bears floating rates of interest. We do not hedge our interest rate exposure.

Foreign Currency Exchange Rate Risk

A portion of our revenues and expenses are denominated in currencies other than the Rupee, primarily our revenues derived from the Newsco Asia business, which are generally denominated in U.S. Dollars, and our revenues derived from the our operation in Oman through IOTECS Oman, which are generally derived in U.S. Dollar. In addition, we incur expenditure denominated in the currencies of the countries where we operate, including, for example, Oman, and make procurement of equipment in other currencies, such as the U.S. Dollar. We do not hedge our foreign currency exchange risk exposure.

Commodities Risk

We are exposed to fluctuations in the prices of raw materials and components used in our EPC Business. These commodities include steel, cement and base metals, among others. The costs of components and various spare parts sourced from outside manufacturers may also fluctuate based on the fluctuation in prices of inputs and on supply constraints. In the normal course of business, we primarily purchase these raw materials and components on a purchase order basis. Our fixed price EPC contracts typically do not provide index based variable-price contracts for any commodity costs, including that of steel. Thus, we are generally exposed to commodity price fluctuations in the performance of our EPC contracts. In certain instances, we negotiate with our suppliers to provide extended validity periods for quotations in order to mitigate the risk.

Additionally, across our Terminalling Business, our EPC Business and our Upstream Services business, we are exposed to fluctuations in the price of oil and gas and petroleum products insofar as they affect capital spending by oil and gas companies. For further details, see the section entitled "Factors Affecting Results of Operations – The activity and expenditure levels in the oil and gas sector" in the section “Management's discussion and analysis of financial condition and results of operations” beginning on page 270 of this Draft Red Herring Prospectus. Any prolonged reduction in oil and gas prices could depress the level of exploration, development, production and transportation activity and result in a corresponding decline in the demand for our services in the energy industry. Any prolonged increase in oil and gas prices could also result in decreased or slowing of consumer demand for products derived from oil and gas, including gasoline, chemicals, synthetic fabrics and plastics, consequently resulting in reduced financial incentive to invest in additional production or transportation capacity. Sustained volatility of oil and gas prices can also cause capital expenditures to be postponed or cancelled. Historically, the global markets for oil and gas have been volatile and are likely to continue to be volatile in the future.

In our Terminalling Business, our customers bear the risk of fluctuations in oil and gas and petroleum and other products as they retain ownership.

We do not hedge our commodities risk exposure.

Inflation

We are impacted by inflation primarily in two ways. In our Terminalling Business, certain of our contracts contain annual inflation-linked contractual escalation provisions that tend to increase our revenues year or year in line with inflation. In our EPC Business, we typically enter into EPC contracts on a fixed price basis, and under our fixed price contracts, the total consideration is typically set by the amount we bid for the project. While we attempt to account for inflation in preparing our estimate of costs, our estimates may differ from the actual impact of inflation on our costs, particularly for EPC contracts of long duration or where our performance under an EPC contract is delayed. According to the Reserve Bank of India, the overall national inflation rate in India was 5.4%, 4.8%, 8.3% and 2.5% in 2007, 2008, 2009 and 2010 respectively.

Known Trends or Uncertainties

Other than as described in this Draft Red Herring Prospectus, particularly in the section *"Risk Factors"* and this section *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* on page xv and page 270, respectively of this Draft Red Herring Prospectus, to our knowledge, there are no trends or uncertainties that have or had or are expected to have a material adverse impact on our income from continuing operations.

Unusual or Infrequent Events or Transactions

Other than described in this Draft Red Herring Prospectus to our knowledge there are no events or transactions that may be described as 'unusual' or infrequent.

Seasonality of Business

We do not believe our business to be seasonal. However, because a significant portion of our revenue is generated from large projects, our results of operations can fluctuate from quarter to quarter and year to year depending on whether and when project is awarded and the commencement and progress of work under the awarded contracts.

Future Relationship between Costs and Income

Other than as described elsewhere in this section "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", and in the section *"Risk Factors"* beginning on page 270 and page xv, respectively of this Draft 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

Other than as described in the section *"Risk Factors"* beginning on page xv of this Draft Red Herring Prospectus to our knowledge, there are no known factors which will have a material adverse impact on our operations and finances.

Related Party Transactions

For the years ended March 31, 2008, 2009 and 2010, we provided construction and engineering services to Indian Oil of Rs. 4,156.69 million, Rs. 6,372.60 million and Rs. 7,159.93 million, which accounted for 40.6%, 43.9% and 52.8% or our total consolidated revenue for those periods, respectively. As of June 30, 2010, Rs. 19,830.36 million of our EPC Order Book related to awards by our Promoters or Promoter Group Companies. We have also entered and may continue to enter into a number of other related-party transactions with our Group Companies and associates. For additional details, see note 7 to our consolidated restated financial statements in the section “Financial Statements” beginning on page 187 of this Draft Red Herring Prospectus.

Competitive Conditions

For details regarding competition in the industries in which we operate, see the section "*Business*" beginning on page 73 of this Draft Red Herring Prospectus.

Recent Accounting Pronouncements

There are no recent accounting pronouncements that are expected to impact our accounting policies or the manner of our financial reporting. However, the Institute of Chartered Accountants of India has announced a road map for the adoption of and convergence of Indian GAAP with, IFRS, pursuant to which all public companies in India, such as us, will be required to prepare their annual and interim financial statements under IFRS beginning with financial year commencing April 1, 2011. Because there is significant lack of clarity on the adoption of and convergence with IFRS and there is not yet a significant body of established practice to draw 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.

Significant developments after March 31, 2010 that may affect our future results of operations

On August 12, 2010 we entered into a non-binding term sheet to acquire a 60.0% equity interest each in Newsco Canada and certain related entities by September 30, 2010. The consideration for the proposed acquisition of Newsco Canada will consist of our shares of Newsco Asia and cash. Pursuant to the completion of our proposed acquisition of Newsco Asia on September 14, 2011, we intend to reconsolidate the Newsco Asia business with Newsco Canada's global platform. We believe the proposed Newsco Canada acquisition, if consummated, will provide us with a global directional drilling business with exclusive access to Newsco Canada's directional drilling technology, research and development and MWD tools on a global basis. We believe Newsco Canada's business will benefit from our access to financing and business development capabilities.

Except as stated in this Draft Red Herring Prospectus, there is no development subsequent to March 31, 2010 that we believe is expected to have a material impact on the reserves, profits, earnings per share and book value of our Company.

FINANCIAL INDEBTEDNESS

The details of indebtedness of the Company on a standalone basis, as at July 31, 2010, are as provided below:

Secured Loans

Sr. No.	Name of the lenders	Nature of borrowing	Amount sanctioned (In Million)	Amount drawndown as on July 31, 2010 (In Million)	Principal amount outstanding as at July 31, 2010 (In Million)	Interest (In % p.a.)	Tenure	Repayment	Security
1.	State Bank of Bikaner and Jaipur	Sanction letters dated December 8, 2007, December 26, 2007 and agreement of loan for overall limit dated February 4, 2008	Rs. 156.20	Rs. 145.00	Rs. 110.17	3.05% below State Bank of Bikaner and Jaipur's prime lending rate	9 years and six months	36 quarterly instalments after a moratorium of six months	For details of security see Note 1 below
2.	Standard Chartered Bank	Sanction letter dated July 18, 2008, loan cum guarantee cum hypothecation agreement dated September 18, 2008 and supplemental to the loan cum guarantee cum hypothecation agreement dated September 23, 2008	USD 5.00 or equivalent of Rs. 210.00	JPY 153.00	JPY 76.50	Rate as negotiated with and agreed by Standard Chartered Bank, subject to RBI guidelines	3 years	8 equal quarterly instalments with moratorium of 1 year, commencing from July 2009	For details of security see Note 2 below
3.	Dhanalakshmi Bank	Sanction letter dated August 10, 2009 and term loan agreement with hypothecation dated August 11, 2009	Rs. 850.00	Rs. 850.00	Rs. 850.00	State Bank of India prime lending rate minus 3	5 years	8 half yearly instalments with moratorium of 1 year	For details of security see Note 3 below
4.	Dhanalakshmi Bank	Sanction letter dated October 12, 2009 and term loan agreement with hypothecation dated October 12, 2009	Rs. 260.00	Rs. 260.00	Rs. 260.00	State Bank of India prime lending rate minus 3	5 years	8 half yearly instalments with moratorium of 1 year commencing from April 2011	For details of security see Note 4 below
5.	Bank of Maharashtra	Sanction letter dated September 9, 2003 and composite	Rs. 328.70	Rs. 317.62	Rs. 88.94	Bank of Maharashtra's prime lending rate minus 3.75	9 years	36 equal quarterly instalments from March 2004	For details of security see Note

Sr. No.	Name of the lenders	Nature of borrowing	Amount sanctioned (In Million)	Amount drawndown as on July 31, 2010 (In Million)	Principal amount outstanding as at July 31, 2010 (In Million)	Interest (In % p.a.)	Tenure	Repayment	Security
		deed of hypothecation dated October 17, 2003							5 below
6.	State Bank of India	Corporate loan agreement dated October 11, 2008 and sixth supplemental agreement of loan for increase in the overall limit dated February 10, 2010	Rs. 650.00	Rs. 596.20	Rs. 596.20	State Bank advance rate minus 0.50%	4 years 3 months	3 annual instalments after moratorium of 15 months from the date of final disbursement	For details of security see Note 6 below
7.	State Bank of India	Sanction letter dated November 10, 2009 and sixth supplemental agreement of loan for increase in the overall limit dated February 10, 2010	Aggregate Rs. 10,525.00				Working capital facilities subject to annual renewal		For details of security see Note 7 below
		Cash credit/ working capital demand loan	Rs. 2,500.00	Rs. 1,121.66	Rs. 1,121.66	State Bank advance rate, effective rate 11.75	1 year, subject to renewal	Payable on demand	
		Export packing credit within cash credit	Rs. 500.00	Nil	Nil	State Bank advance rate, effective rate 11.75	-1 year, subject to renewal	Payable on demand	
		Letter of credit	Rs. 1,000.00	Rs. 5.40	Rs. 5.40	Negotiable on case to case basis	1 year, subject to renewal	On respective due dates, as provided under the letter of credit	
		Bank guarantee	Rs. 7,000.00	Rs. 6,461.88	Rs. 6,461.88	Negotiable on case to case basis	1 year, subject to renewal	As per the bank guarantee/ when invoked	
		Derivatives	Rs. 25.00	Nil	Nil	N.A.	1 year, subject to renewal	N.A.	

Note 1:

- Mortgage of immovable property, present or future at the LPG bottling plant at Vaikkadu, Tamil Nadu.

- First charge by way of hypothecation and/ or pledge of the Company's entire goods, movable and other assets, present and future including incentives under cash incentive schemes and machinery, present or future at the LPG bottling plant at Vaikkadu, Tamil Nadu.

Note 2:

- First and exclusive charge on assets/ equipments financed by Standard Chartered Bank.

Note 3:

- First *pari passu* charge over all tangible movable machineries, plant, machinery, fixtures, fittings, other instalments, furnitures, computers and other accessories, and all other articles which may hereinafter be brought, stored or be lying in or upon the Navghar terminal of the Company situated at Navghar, Dronagiri Node, Uran Taluk, Raigad, Maharashtra.

Note 4:

- First *pari passu* charge over all tangible movable machineries, plant, machinery, fixtures, fittings, other instalments, furnitures, computers and other accessories, and all other articles which may hereinafter be brought, stored or be lying in or upon the Navghar terminal of the Company situated at Navghar, Dronagiri Node, Uran Taluk, Raigad, Maharashtra.

Note 5:

- First charge on all the current assets of the Company, namely the Company's stocks of raw materials, semi finished and finished goods, stores and spares not relating to plant and machinery, bills receivable, book debts and all other movables at LPG terminal project at Chennai, Tamil Nadu.
- First charge on all the fixed assets of the Company, namely the Company's movable plants, machineries, articles, installations, equipments, implements, tools, materials, goods, present and future at LPG terminal project at Chennai, Tamil Nadu.

Note 6:

- Equitable mortgage over office premises at 103 Spectra, Hiranandani Business Park, Powai, Mumbai, 400 076.
- Equitable mortgage over Plot no. Y/2 and CTS No. 358/A2, Ceat Tyre Road, near Nahur Railway Station, Bhandup (West), Mumbai, 400 078.
- Second charge on current assets of the Company.

Note 7:

- Cash credit/ working capital demand loan
    - Hypothecation of the Company's entire current assets including the inventory and receivables by way of first charge.
    - Second charge on movable fixed assets.
- Export packing credit
    - Hypothecation of the Company's entire current assets including the inventory and receivables by way of first charge.
    - Second charge on movable fixed assets and ECGC cover for EPC to the extent available.
- Bank guarantee
    - Extension of hypothecation charge over the Company's entire current assets.
    - Omnibus counter guarantee – to be executed by the Company to the extent of guarantee limit.
    - Second charge over the movable fixed assets.
    - ECGC cover for bank guarantees relating to project exports.

Unsecured loans

Sr. No.	Name of the lenders	Nature of borrowing	Amount Sanctioned (In Million)	Amount drawndown as on July 31, 2010 (In Million)	Principal Amount Outstanding as at July 31, 2010 (In Million)	Interest/ Commission (In % p.a.)	Tenor
1.	DBS Bank Limited	Renewal letter dated April 7, 2010, and second supplemental working capital facilities agreement dated July 28, 2010	Aggregate Rs. 2,500.00				
		Letter of credit/ Buyers credit undertaking	Rs. 2,500.00	USD1.66	USD1.66	As negotiated at the time of disbursement	Revolving with usance period of each bill not to exceed 360 days from shipment date
		Bank guarantee	Rs. 2,500.00	Rs. 1,430.72	Rs. 1,430.72	As negotiated at the time of disbursement	Revolving upto 3 years For guarantees favouring Indian Oil period can go upto 4 years
		Short term loan	Rs. 1,500.00	Nil	Nil	As negotiated at the time of disbursement	Revolving with a tenor upto 1 year
		Loan packing credit	Rs. 1,500.00	Nil	Nil	As negotiated at the time of disbursement	Revolving with a tenor of each tranche not to exceed 6 months
		Export bills purchased	Rs. 1,500.00	Nil	Nil	As negotiated at the time of disbursement	Revolving with a tenor of each tranche not to exceed 6 months
		Export bills discounted	Rs. 1,500.00	Nil	Nil	As negotiated at the time of disbursement	Revolving with a tenor of each tranche not to exceed 6 months
		Overdraft	Rs. 100.00	Nil	Nil	As negotiated at the time of	Revolving

Sr. No.	Name of the lenders	Nature of borrowing	Amount Sanctioned (In Million)	Amount drawndown as on July 31, 2010 (In Million)	Principal Amount Outstanding as at July 31, 2010 (In Million)	Interest/ Commission (In % p.a.)	Tenor
						disbursement	
		Foreign exchange facility	Nil	Nil	Nil	As negotiated at the time of disbursement	Maximum upto 1 year
2.	Deutsche Bank	Sanction letter dated May 19, 2009	Aggregate Rs. 350.00				
		Overdraft	Rs. 150.00	Nil	Nil	Deutsche Bank India prime lending rate	Running account repayable on demand
		Pre export advance	Rs. 350.00	Nil	Nil	As per the directive of the Reserve Bank of India	Maximum 180 days
		Buyer's credit	Rs. 350.00	Nil	Nil	As confirmed by Deutsche Bank	Maximum 6 months
		Invoice financing	Rs. 350.00	Nil	Nil	Market related	Maximum 6 months
		Letter of guarantee	Rs. 350.00	Nil	Nil	Market related	Maximum 12 months
		Letter of credit	Rs. 350.00	Nil	Nil	Market related	Maximum 180 days
3.	HDFC Bank	Sanction letter dated April 8, 2008 *	Aggregate Rs. 600.00				
		Short term loan	Rs. 500.00	Nil	Nil	As discussed mutually with HDFC Bank	Upto 90 days
		Letter of credit/ bank guarantee	Rs. 100 .00 Bank guarantee – sub limit of Rs. 50.00 upto 2 years	Nil	Nil	As discussed mutually with HDFC Bank	Letter of credit – maximum usance of 180 days Bank guarantee – 18 months
4.	ICICI Bank	Sanction letter dated March 25, 2010	Aggregate Rs. 1,750.00				The facility is valid upto March 8, 2011
		Overdraft	Rs. 100.00	Nil	Nil	4.50% below the sum of I-BAR, cash credit risk premium prevailing on each day and applicable interest rate or other statutory levy, if any, on the outstanding	Payable on demand, unless otherwise agreed by ICICI Bank

Sr. No.	Name of the lenders	Nature of borrowing	Amount Sanctioned (In Million)	Amount drawndown as on July 31, 2010 (In Million)	Principal Amount Outstanding as at July 31, 2010 (In Million)	Interest/ Commission (In % p.a.)	Tenor
						amount	
		Letter of credit	Rs. 1,500.00	Nil	Nil	Sight letter of credit – 0.25 Usance letter of credit – 0.50	Maximum 180 days
		Performance bank guarantee	Rs. 1,750.00	Rs. 85.16	Rs. 85.16	0.25	Maximum 36 months
		Financial bank guarantee	Rs. 750.00	CAD 3.10	CAD 3.10	0.50	Maximum 36 months
5.	Kotak Mahindra Bank	Sanction letters dated June 15, 2010 and November 16, 2009 and supplemental agreement dated December 4, 2009 to the master facility agreement dated May 7, 2008	Aggregate Rs. 1,000.00				
		Working capital demand loan	Rs. 1,000.00	Nil	Nil	As decided at the time of disbursement	Maximum 6 months
		Term loan (project specific)	Rs. 400.00	Nil	Nil	As decided at the time of disbursement	Maximum 2 years or tenor of project, whichever is earlier
		Cash credit	Rs. 100.00	Nil	Nil	Prime lending rate minus 6.50	Revolving
		Forward contracts	Rs. 100.00	Nil	Nil	Nil	Maximum 1 year
		Letter of credit	Rs. 750.00	Nil	Nil	0.20	Cumulative tenor for letter of credit and buyers' credit should not exceed 180 days
		Bank guarantee	Rs. 250.00	Rs. 127.41	Rs. 127.41	0.25	Maximum 36 months including claim period
		Trade credit/ buyers' credit	Rs. 750.00	Nil	Nil	As decided at the time of disbursement	Cumulative tenor for letter of credit and buyers' credit should not exceed 365 days

Sr. No.	Name of the lenders	Nature of borrowing	Amount Sanctioned (In Million)	Amount drawndown as on July 31, 2010 (In Million)	Principal Amount Outstanding as at July 31, 2010 (In Million)	Interest/ Commission (In % p.a.)	Tenor
6.	Bank of Nova Scotia	Facility letter dated October 21, 2009	Aggregate Rs. 1,000.00				
		Short term revolving loan	Rs. 1,000.00	Rs. 550	Rs. 550	As per the rate decided in terms of the prevailing RBI guidelines	Maximum tenor of upto 180 days
		Overdraft	Rs. 20.00	Nil	Nil	Bank of Nova Scotia's benchmark prime lending rate	Repayable on demand
		Letters of credit	Rs. 500.00	Nil	Nil	0.50	Usance upto 90 days and maximum tenor of upto 180 days
		Bank guarantees for bid bonds	Rs. 250.00	Nil	Nil	As per the rate decided in terms of the RBI guidelines	Maximum tenor of upto 1 year
		Bank guarantees for performance bonds	Rs. 250.00	Nil	Nil	As per the rate decided in terms of the RBI guidelines	Maximum tenor of upto 18 months
		Bank guarantees for buyers' credit	Rs. 250.00	Nil	Nil	As per the rate decided in terms of the RBI guidelines	Maximum tenor of upto 180 days
7.	Union Bank of India	Credit facility dated November 10, 2008 and renewal letter dated January 19, 2010	Rs. 160.00	Rs. 159.48	Rs. 159.48	0.60	Upto January 2011
8.	YES Bank Limited	Addendum to facility letter dated October 22, 2009 and facility letter dated August 14, 2008	Rs. 2,000.00				
		Performance bank guarantee	Rs. 2,000.00	Rs. 1,237.57	Rs. 1,237.57	0.22	60 months
		Financial bank guarantee	Rs. 1,000.00	Nil	Nil	0.55	12 months
		Sight letters of credit	Rs. 1,000.00	Nil	Nil	0.22	180 days
		Usance letters of credit	Rs. 1,000.00	Nil	Nil	0.22	180 days
		Standby letters of credit	Rs. 1,000.00	Nil	Nil	0.55	6 months
		Revolving short term loan	Rs. 2,000.00	Nil	Nil	As decided at the time of	Upto 12 months

Sr. No.	Name of the lenders	Nature of borrowing	Amount Sanctioned (In Million)	Amount drawndown as on July 31, 2010 (In Million)	Principal Amount Outstanding as at July 31, 2010 (In Million)	Interest/ Commission (In % p.a.)	Tenor
						disbursement	

* *HDFC Bank has issued a revised sanction letter dated August 11, 2010 extending short term loan amounting to Rs. 500.00 Million for a tenor upto 90 days.*

External commercial borrowings

Sr. No.	Name of the lenders	Nature of borrowing	Amount Sanctioned (In Million)	Amount drawndown as on July 31, 2010 (In Million)	Principal amount outstanding as at July 31, 2010 (In Million)	Interest (In % p.a.)	Tenure/ tenor	Repayment
1.	DBS Bank Limited, Singapore	Supplemental letter dated April 23, 2010, buyers credit import advance facility dated February 10, 2009 and sanction letter dated December 23, 2008	USD 10.00	Nil	Nil	LIBOR plus margin (as decided at the time of disbursement)	Upto 1 year for import of raw materials and upto 3 years for capital goods imports	30, 60, 90, 120, 150, 180 or 360 days, as opted by the Company
2.	DBS Bank Limited, Singapore	Facility agreement dated November 5, 2008	USD 6.50	USD 6.50	USD 6.50	LIBOR plus margin of 2.75%	7 years	Within 84 months from initial utilisation date
3.	DBS Bank Limited, Singapore	Facility agreement dated March 18, 2010	USD 6.75	USD 5.825	USD 5.82	LIBOR plus margin of 2.75%	7 years	Within 84 months from initial utilisation date

Corporate Actions

Certain corporate actions for which the Company requires the prior written consent of the lenders include:

(a). make any drastic change in the management or change the composition of its Board of Directors;

(b). transfer the share of the promoter Directors;

(c). contract, create, incur, assume or suffer to exist any indebtedness, except for permitted indebtedness;

(d). carry on any business or activity other than in connection with the completion or operation of the project;

(e). issue any guarantee except as required under the transaction documents;

(f). wind up, liquidate or dissolve its affairs;

(g). enter into any transaction of merger, consolidation, amalgamation or reorganisation;

(h). convey, sell, lease, let or otherwise dispose of (or agree to do any of the foregoing at any future time) all or any part of its property or assets, except for any permitted disposal;

(i). alter Memorandum of Association and / or Articles of Association;

(j). agree to, create, incur, assume or suffer to exist any security interest upon or with respect to any property, revenues, or assets (real, personal or mixed, tangible or intangible) of the Company, whether now owned or hereafter acquired; and

(k). alter its capital structure.

Further, under the terms of the loan agreements, the Company is required to maintain certain limits on financial ratios like total outstanding liabilities to tangible net worth, total long term secured debt to net fixed assets, debt service coverage ratio, current asset to current liability and interest cover on EBDITA.

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or disputed tax liabilities against the Company and the Subsidiaries, whose outcome could have a material and adverse effect on our consolidated results of operations or financial position, and no litigation against the Directors, the Promoter and the 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 issue by the Company and its Subsidiaries, 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 the Subsidiaries and no disciplinary action has been taken by SEBI or any stock exchanges against the Company, the Subsidiaries, the Directors, the Promoter and the Group Companies.

The Company does not owe any amounts exceeding Rs. 100,000 to any small scale industries, which is outstanding to more than 30 days.

For details of contingent liabilities of the Company and the Subsidiaries, refer to the section "Financial Statements" of the Company and the Subsidiaries beginning on page 187 of this Draft Red Herring Prospectus.

Litigation involving the Company

Cases filed against the Company

Civil Cases

1. United Construction Private Limited ("**UCPL**") represented by Sunita Maganlal has filed a suit against the Company on December 15, 2008 before the Civil Judge (Senior Division), Bhubaneshwar. The Company had appointed UCPL to undertake the work of design, fabrication and erection of tanks at Paradip refinery project, pursuant to an agreement dated June 23, 2005 for a total consideration of Rs. 56,279,839. UCPL has claimed an amount of Rs. 2,193,400 towards final payment from the Company and has sought a declaration that it would no longer be liable to pay its creditors to whom the Company has already made payment. Additionally, UCPL has sought a permanent injunction for restraining the Company from encashing the bank guarantee of Rs. 5,627,984 claiming that there are no outstanding dues to be recovered from UCPL. It is contended by the Company that it has paid an amount of Rs. 3,028,969 towards full and final payment for the outstanding dues of UCPL to its suppliers and creditors. The Company has challenged the capacity of Sunita Maganlal for the claims raised and has claimed that the bank guarantee has already been invoked and accordingly the petition for injunction is infructucus. The matter is currently pending.

   Sunita Maganlal has also filed a suit before Civil Judge (Senior Division), Jagatsinghpur on March 26, 2010 to issue interim direction, directing the Company to deposit sum of Rs. 5,200,000 as fixed deposit with Bank of India till disposal of the case for wrongful encashment of bank guarantee. The matter is currently pending.

2. An industrial dispute has been referred by the Additional Commissioner of Labour, Konkan Division, Mumbai before the Second Labour Court at Thane, in terms of which a statement of claim has been filed by the Raigad Shramik Aekata Sangh ("**RSAS**") against the Company on October 6, 2009 alleging that the Company has terminated four employees (the "**Employees**") without assigning any reason. The Employees were providing services in relation to loading and unloading of hazardous material at Navghar terminal and it has been claimed by RSAS that the Company terminated the employment services without assigning any reason with effect from September 1, 2004. The Employees approached RSAS against the termination, who by a letter dated April 4, 2005 requested the Company to re-instate the Employees with back-wages. It has been claimed by the Company that the Employees are employees of Company's contractor M/s V.G. Enterprises and were caught stealing napha from the work site. It has also been claimed by the Company that M/s V.G. Enterprises stopped deployment of the Employees on the work-site. Thereafter, a conciliator

was appointed to resolve the dispute, who by an order dated November 16, 2006 directed that the Employees be reinstated with effect from September 1, 2004 with back-wages. The Company did not implement the said order and therefore, RSAS approached the Additional Commissioner of Labour, Konkan Division, Mumbai, who referred the matter to the Second Labour Court at Thane, and has filed a claim for an industrial dispute. The matter is currently pending.

Criminal Cases

3. A criminal complaint has been filed against Yashwant Chaudhari, Jatin Mavani and Akhtar Gulab Khan before the Judicial Magistrate (First Class) at Panvel. Akhtar Gulab Khan is Vice President and Jatin Mavani is Company Secretary of the Company. It has been alleged that Jatin Mavani and Akhtar Gulab Khan stored kerosene in a rented tanking facility without obtaining the license from the District Administration/ District Supply Officer, Raigad, Alibagh and thus, has violated the provisions of the Parallel Marketing Scheme issued under the Maharashtra Kerosene Dealers License Order 1966 and the Essential Commodities Act, 1955. The Company has claimed that Jatin Mavani and Akhtar Gulab Khan are not responsible as marketing was not undertaken by the Company and the Company was only involved in the storage of the kerosene, for which it has obtained the license. The matter is currently pending.

Cases filed by the Company

Civil Cases

1. The Company had filed an appeal before the Standing Committee, Zilla Parishad, Raigad District on January 20, 2010 against a claim for an amount of Rs. 58,471,630 by the Gram Panchayat, Dhuntum ("**Gram Panchayat**") alleging that the rate of assessment of property tax charged by the Gram Panchayat was based on the capital cost of the land and not on the basis of the area of the land. The Company took on lease land measuring 227,029.8 sq mts. from CIDCO pursuant to lease deeds dated August 14, 1997 and July 8, 1998. Accordingly, the basis of computation of the property tax was not in accordance with the provisions of the Bombay Village Panchayat Act, 1958, the Maharashtra Village Panchayats Tax and Fees Rules, 1960, the Village Panchayat Rules and the notification dated December 3, 1999 which *inter alia* contemplated computation of property tax on the basis of area. The Standing Committee, Zilla Parishad, Raigad District passed an order dated June 9, 2010 dismissing the appeal of the Company. The Gram Panchayat, Dhuntum has issued a warrant of attachment dated July 23, 2010. The Company has filed a writ petition, challenging the said order and warrant of attachment, before the High Court of Bombay on July 26, 2010 and an interim stay against the Gram Panchayat's attachment order has been granted by the High Court of Bombay by its order dated July 26, 2010. Further, by an oral order dated July 28, 2010, the High Court of Bombay has ordered that the interim protection in terms of order dated July 26, 2010 shall continue until the admission of the writ petition. Thereafter two warrants of attachment were issued by the Gram Panchayat and hence, the High Court of Bombay has by an order dated August 16, 2010 directed the Gram Panchayat not to take any steps pursuant to aforesaid warrants. The matter is currently pending.

Criminal Cases

1. The Company has filed a complaint against Nirmal Lifestyle on June 4, 2010 before the Metropolitan Magistrate, Mulund under Sections 3, 13, 13A and 14 of the Maharashtra Ownership Flats Act, 1963. The Company had purchased flat nos. 602 – 605 and 636 – 638 at Nirmal Lifestyle, Mulund (West) pursuant to the two sale deeds, both, dated October 8, 2007 with Nirmal Lifestyle for consideration of Rs. 38,925,000 and Rs. 25,065,000 respectively (excluding maintenance expenditure and consideration for additional facilities and amenities). The Company claims that an amount of Rs. 66,494,418 has been paid towards the consideration (including stamp duty and registration charges) of these flats. The due date for handing over the possession of these flats as per the sale deeds was June 2009. As the Company has not received the possession of these flats, the Company has filed the present complaint. The matter is currently pending.

Arbitration proceedings involving the Company

Cases filed against the Company

1. M/s. Madra Constructions ("**Madra**") was appointed by the Company to undertake the tankage works for Siliguri marketing terminals project at Siliguri pursuant to a letter of offer dated April 25, 2006 by Madra and a letter of acceptance by the Company dated April 28, 2006, which jointly constitutes an agreement. Under the terms of the said agreement, Madra was required to complete the work within six months starting from April 28, 2006. Due to failure of completion of the work within the prescribed time period, the Company replaced Madra and appointed Techno resources, PNP Engineering Works (Private) Limited and M.K. Roy & Brothers Project Private Limited pursuant to work orders dated December 11, 2007, December 26, 2007 and December 26, 2007, respectively. The Company has alleged that the same was informed to Madra pursuant to a letter dated November 29, 2007 Subsequently, Madra initiated the arbitration proceedings against the Company claiming an amount of Rs. 8,162,947 *inter alia* towards payment of its final bill, refund of security deposit, payments of extra items, infrastructure expenses, loss of profit, transmission of power, cost of equipment, price variation clause, under-utilization of overheads, machinery and labour force and loss of business opportunities. The Company has also filed a counter claim on January 23, 2009 for an amount of Rs. 25,516,030 towards additional amount incurred for completing the balance work due to default of Madra, cost of free issue materials supplied by the Company, balance of which were not returned and/ or wasted by the Madra, claim for hire charges of machineries supplied along with interest. The matter is currently pending.

2. M/s. Punj Llyod ("**Punj**") has initiated arbitration proceedings against the Company raising a claim of an amount of Rs. 85,802,440.6 *inter alia* towards payment against their final bill, amounts withheld as liquidated damages or working contract tax, additional expenditure, loss due to idling of resources and loss due to extended stay at site and has requested for a declaration that the Company is not entitled to any amount under price discount or invoke bank guarantee. The Company had appointed Punj as a sub-contractor to carry out design, fabrication and erection of tanks at Paradip refinery project commissioned by Indian Oil for a consideration of Rs. 279,000,000 under a agreement dated March 30, 2005. Whilst, scheduled date for completion of the work was December 5, 2005, the actual date of completion of the work was June 5, 2007.

   It is alleged by the Company that Punj has defaulted in carrying out the obligations in a timely manner under the said agreement and thus, liquidated damages were charged *inter alia* for delay in execution of fabrication works, painting works, welding works, sand blasting works and delay in fixing sub-contractors for sand blasting. However, Punj has claimed that despite completion of the sub-contracted work, the Company has failed to clear outstanding dues. Further, it is claimed by Punj that the delay in completion was due to various reasons attributable to the Company including delay in release of inspection test plans and vendor list, delay in handing over foundations, work stoppage due to rain and water logging and delay due to failure to address law and order situations, there was delay in completion of work. Subsequently, the Company has prayed that an amount of Rs. 5,676,313 be paid as final bill by Punj and be set off against the sum of Rs. 27,900,000 which the Company is justified to recover as liquidated damages. The next sitting of the arbitral tribunal is scheduled on August 26 and 27, 2010.

   Simultaneously, Punj has invoked the jurisdiction of the High Court of Bombay under Section 9 of the Arbitration and Conciliation Act, 1996 by filing an arbitration petition to restraint the Company from encashing or seeking any payment under bank guarantee for Rs. 27,900,000. The High Court of Bombay has granted an interim relief by way of an ex-parte order dated July 17, 2009 in the favour of Punj and has restrained the Company from encashing the bank guarantee. The High Court of Bombay has subsequently modified the said order by its order dated September 24, 2009 and permitted the Company to demand the bank guarantee. However, the bank is restrained from releasing the amount until further orders of the High Court of Bombay. The matter is currently pending.

3. Khurana Constructions has initiated arbitration proceedings against the Company on February 18, 2009 for payment of the final bill with interest, claims on account of unwarranted recoveries, works contract tax, service tax and financial loses for an amount of Rs. 109,176,127. The Company awarded civil and underground piping works related to motor spirit quality up-gradation project work of Gujarat Refinery of Indian Oil at Vadodra to Khurana Constructions by a letter of intent dated October 9, 2004 and the

scheduled date of completion of work was June 8, 2005. The agreement to this effect was entered into between the Company and Khurana Constructions on February 28, 2005 (the "**Agreement**"). The work was delayed and was completed by Khurana Constructions on August 30, 2006. Khurana Constructions has alleged that due to delays on several fronts, hindrances and breaches, the work could not be completed in time. As the Company did not respond within a period of 30 days to the letter dated February 18, 2009, sent by Khurana Constructions for appointment of an arbitrator as per the provisions of the Agreement, Khurana Constructions, on March 23, 2009, filed a petition before the High Court of Gujarat, under Section 11 of the Arbitration and Conciliation Act, 1996, for appointment of an arbitrator. The High Court of Gujarat by its order dated July 10, 2009 held that the petition was not maintainable. Thereafter, Khurana Constructions has filed a petition before the High Court of Bombay, under Section 11 of the Arbitration and Conciliation Act, 1996, for appointment of an arbitrator. The High Court of Bombay has by an order dated August 13, 2010 appointed Justice S.P. Kurdukar as the arbitrator. The matter is currently pending.

4. M/s Nasim Ahsan & Company ("**Nasim**") has filed an arbitration application dated August 2, 2010 before the High Court of Bombay for appointment of arbitrator in relation a dispute which has arisen between Nasim and the Company. The Company issued a work order dated April 20, 2004 to Nasim for supply of materials, fabrication, erection, testing for storage tanks and other facilities for Indian Oil's Panipat refinery. The scheduled date of completion was 10 months commencing from January 15, 2004 and the work was actually completed by Nasim after delay of 10 months. It has been alleged by Nasim that the delay in completion of the work was due to delays on several fronts, hindrances and breaches, including delay in providing possession of site, change in construction sequence by the Company and additional work. Nasim has claimed an amount aggregating to Rs. 77,528,731 along with interest of 24% p.a. and costs amounting to Rs. 500,000 from the Company. The High Court of Bombay has by an order dated September 2, 2010 directing the Managing Director of the Company to appoint an arbitrator. The matter is currently pending.

Cases filed by the Company

1. The Company has initiated arbitration proceedings against Indian Oil on April 29, 2004 for an amount of Rs. 338,257,178 in relation to the wrong deduction and recovery of amounts from the running account bills under different heads by Indian Oil for the work done at Paradip refinery project in terms of letter dated September 9, 2004 by Indian Oil awarding the contract of execution of the work of design, fabrication and erection of tanks at Paradip (Orissa) at Paradip Refinery Project to the Company. Under the Gazette notification S.R.O. no. 298/2004 dated June 7, 2004 issued by the government of Orissa, the payment of entry tax and works contract tax was exempted during the construction phase of the Paradip refinery project. Accordingly, the Company requested Indian Oil by its letter dated September 14, 2004 to adjust the bid amount while submitting its bid for Paradip refinery project. However, Indian Oil recovered amounts under different heads including works contract tax. Further, the Company has also undertaken additional work and the additional cost for the same was apprised to Indian Oil. The Company completed the work on June 5, 2007 for which the final bill was submitted on July 25, 2007 which is still outstanding. The Company has claimed that the delay in completion of the work was due to various reasons attributable to Indian Oil) including failure to provide reference point for bench mark pillar until November 23, 2004, failure to supply drawings on the stipulated date of commencement and failure to furnish working decisions/approvals in time. On November 19, 2009 Indian Oil filed counter claims for an amount of Rs. 114,547,220 due towards the levy of income tax and education cess, incentive granted on account of exemption of works contract tax and others. The matter is currently pending.

2. The Company has initiated conciliation proceedings against Oil India Limited ("**OIL**") before the Outside Expert Committee on January 2, 2008. OIL granted a contract for creation of plant of crude dehydration facility and intermediate tank farm on lumpsum turnkey basis at Tengakhat, Assam and operation and maintenance of the plant for six years to the Company by its letter dated June 2, 2004 and contract dated December 13, 2004 for a consideration of Rs. 529,200,000 (the "**Contract**"). The time stipulated for completion of the project in terms of the Contract was 15 months ending on September 2, 2005. The Company could not complete the project and the same was regularly communicated to OIL. The work was actually completed on March 31, 2006. The Company has claimed that the delay in execution and completion of work was on account of force majeure events and delays and defaults on part of OIL,

including delay in handing over of the work site with boundary walls and gates, delay in providing motorable approach road for ingress to egress from the work site, delay in obtaining NoC from district authorities in relation to the site proposed for construction, delay in supplying crude oil dispatch pump and delay due to execution of additional work. The Company has claimed Rs. 278,173,126 from OIL on account of *inter alia* release of the amount retained by OIL as liquidated damages penalty, additional costs incurred by the Company due to change in law, reimbursement of service tax debit notes, execution of extra work, operation and maintenance charges and compensation for loss due to non recovery of time related costs.

OIL has filed a claim of set off against the Company for an amount of Rs. 23,175,000 for *inter alia* reduction and alteration of stipulated works. On March 6, 2009, the Outside Expert Committee recommended *inter alia* that though all the contractual responsibilities of the Company were fulfilled much later than stipulated in the Contract, the Company shall be entitled to reimbursement of statutory taxes/levies, pending amounts for work done, operation and maintenance charges from three months from February 9, 2007 and refund of the liquidated damages of Rs. 52,920,000. The matter is currently pending.

3. The Company has initiated arbitration proceedings against Hindustan Petroleum Corporation Limited ("**HPCL**") *vide* demand notice dated June 18, 2009 and statement of claim dated September 7, 2009, claiming an amount of Rs. 24,215,562 from HPCL and its project consultant. Pursuant to fax of acceptance dated August 5, 2006 by HPCL, the Company was awarded a contract for execution of work of supply, erection, testing and commissioning of mechanical equipment and piping erection at Mundra terminal for Mundra-Delhi pipeline project. The scheduled date of commencement and completion were August 5, 2006 and March 4, 2007 respectively and the value of the work was Rs. 137,100,966. The work order was issued by HPCL to the Company on October 31, 2006. The work was actually completed by the Company on July 30, 2007. The Company was delayed in completion of the project and subsequently HPCL deducted Rs. 6,065,692 towards liquidated damages from running account bills 3, 4 and 5. The Company has claimed that the delay in completion of works was due to delays and failures by HPCL including failure to handover drawings in time, failure to supply free issue materials in time, failure to handover clean work front in time and failure to release payments. HPCL has alleged that there was poor mobilisation of resources and mismanagement on part of the Company, which led to delay in completion of works. The Company has filed this arbitration claiming an amount of Rs. 24,215,562 *inter alia* for refund of amount deducted as liquidated damages by HPCL, towards execution of extra items of works, infructuous expenses incurred on establishment, overheads, etc. in the extended period of completion, hire purchase for retaining the machineries in the extended period of completing along with interest. The matter is currently pending.

4. IMC Limited, Indian Oil, the Company and others (together, JNPT Liquid Chemical Berth Users Association ("**Association**")) have initiated arbitration proceedings against Board of trustees of Jawaharlal Nehru Port Trust ("**JNPT**") on December 5, 2005, claiming Rs. 40,100,000 *inter alia* for release of excess way leave charges levied by JNPT, release of balance of Rs. 12,000,000 held by JNPT out of Rs. 150,000,000 deposited for laying pipelines and refund the amount paid under protest as minimum guaranteed throughput. The Association has claimed that the way leave charges levied by JNPT for pipelines were unilateral and arbitrary and that the same should be levied from the date of completion of laying down of pipelines instead of date of allotment of land in terms of the methodology prescribed by the Tariff Authority for Major Port Trusts. The matter is currently pending.

Tax proceedings involving the Company

Income tax proceedings

1. The Company filed an appeal dated April 5, 2005 before the Commissioner of Income Tax (Appeals), Mumbai (the "**Commissioner**") against the assessment order of the Assessing Officer dated March 9, 2005 in respect of the assessment year 2002-2003. The said appeal was filed with respect to the additions made towards the provision for performance warranties of Rs. 18,071,019 and on account of interest expenses of Rs. 750,000 attributable to investment under Section 14A of the Income Tax Act. The Assessing Officer determined the demand of Rs. 1,689,914 vide the aforesaid assessment order. The Commissioner in its order dated January 10, 2006 partly allowed the appeal. The Company has filed an appeal before the

Income-Tax Appellate Tribunal, Mumbai on April 19, 2006 against the order of the Commissioner. The matter is currently pending.

2. The Company has filed an appeal dated April 12, 2006 before the Commissioner of Income Tax (Appeals) - 22, Mumbai (the "**Commissioner**") against the assessment order of the Assessing Officer dated December 30, 2005 in respect of the assessment year 2003-2004. The said appeal has been filed with respect to the additions made towards the provision for performance warranties of Rs. 5,305,629 and club membership fees of Rs. 376,580. The Assessing Officer vide the aforesaid assessment order determined that the Company is entitled to refund of Rs. 3,291,032, instead of the Rs. 6,420,663 claimed by the Company . A notice of demand dated December 30, 2005 and a notice initiating penalty proceedings dated December 30, 2005 has been issued by the Additional Commissioner of Income Tax to the Company. The matter is currently pending.

3. The Company filed an appeal dated January 31, 2007 before the Commissioner of Income Tax (Appeals), Mumbai (the "**Commissioner**") against the demand notice dated December 28, 2006 and the assessment order of the Assessing Officer dated December 28, 2006 in respect of the assessment year 2004-2005. The said appeal was been filed with respect to *inter alia* the additions made towards the provision for performance warranties of Rs. 27,745,147 and club membership fees of Rs. 320,728. The Assessing Officer determined the demand of Rs. 3,131,474 vide the aforesaid assessment order. The Commissioner in its order dated January 23, 2009 partly allowed the appeal allowing the deduction of performance warranties provision at the rate of 0.20% of the revenue recognised while computing the profits under the normal provisions as well as under the provisions of the minimum alternate tax. The Company and the Income Tax department have filed appeals before the Income Tax Appellate Tribunal, Mumbai on May 7, 2009 and January 23, 2009, respectively, against the order of the Commissioner. The matter is currently pending.

4. The Company filed an appeal dated January 30, 2008 before the Commissioner of Income Tax (Appeals), Mumbai (the "**Commissioner**") against the demand notice dated December 27, 2007 and assessment order of the Assessing Officer dated December 27, 2007 in respect of the assessment year 2005-2006. The said appeal was filed with respect to the additions made towards the provision for performance warranties of Rs. 20,353,041 in computing the book profit under section 115JB of the Income Tax Act. The Assessing Officer determined the demand of Rs. 2,545,466 vide the aforesaid assessment order. The Commissioner in its order dated March 9, 2009 partly allowed the appeal. Pursuant to the said order, the Commissioner allowed deduction of the performance warranties provision at the rate of 0.8755% of the revenue recognised while computing the profits under the normal provisions as well as under the provisions of the minimum alternate tax. Further the Assessing Officer issued an order dated March 25, 2010 giving effect to the order of the Commissioner dated March 9, 2009 and allowing provision for performance warranties of Rs. 10,918,844 as deduction. The Company and the Income Tax Department have filed an appeal before the Income Tax Appellate Tribunal, Mumbai on May 28, 2009 and March 9, 2009, respectively, against the order of the Commissioner. The matter is currently pending.

   Further, the Assessing Officer has also initiated penalty proceedings against the Company in terms of a notice issued under Sections 274 and 271 of the Income Tax Act on December 27, 2007 by for the assessment year 2005-2006 for concealment of particulars of income and furnishing inaccurate particulars. A letter dated January 14, 2008 has been filed by the Company with the Assessing Officer to keep the penalty proceedings in abeyance as Company was in the process of filing an appeal against the assessment order dated December 27, 2007 with the Commissioner. The penalty proceedings are currently pending.

5. The Company filed an appeal dated February 9, 2009 before the Commissioner of Income Tax (Appeals), Mumbai (the "**Commissioner**") against the assessment order of the Assessing Officer dated December 18, 2008 in respect of the assessment year 2006-2007. The said appeal was filed with respect to *inter alia* the disallowance of Rs. 823,274 under Section 14A of the Income Tax Act and the same was confirmed by the Commissioner pursuant to its order dated January 19, 2010. The Company has filed an appeal before the Income-Tax Appellate Tribunal on March 19, 2010. The matter is currently pending.

6. The Company has filed an appeal dated January 28, 2010 before the Commissioner of Income Tax (Appeals), Mumbai (the "**Commissioner**") against the assessment order of the Assessing Officer dated

December 23, 2009 in respect of assessment year 2007-2008. The said appeal was filed with respect to inter *alia* disallowance under Section 14A and 40(a)(ia) of the Income Tax Act and non grant of credit. The Assessing Officer determined the demand of Rs. 145,823,223 vide the aforesaid assessment order. Further, a rectification application dated January 7, 2010 was also filed with the Assessing Officer to rectify the above errors while computing the income and tax. The Assessing Officer issued rectification orders dated March 15, 2010 allowing set off of unabsorbed depreciation of Rs. 59,580,864 of earlier assessment years and granted advance tax credit of Rs. 1,100,000 and March 25, 2010 allowing set off of unabsorbed depreciation of Rs. 13,793,575 of earlier assessment years and allowed minimum alternate tax credit of Rs. 22,003,676 for the assessment year 2006-07. The Company has further filed a rectification application with the Assessing Officer on April 19, 2010 to rectify errors and the same is presently pending. Additionally, the appeal dated January 28, 2010 is currently pending.

Further, the Additional Commissioner of Income Tax has also initiated penalty proceedings against the Company in terms of a notice issued under Sections 274 and 271 of the Income Tax Act on December 23, 2009 by for the assessment year 2007-2008 for concealment of particulars of income and furnishing inaccurate particulars. A letter dated January 13, 2010 has been filed by the Company with the Additional Commissioner of Income Tax to keep the penalty proceedings in abeyance as Company was in the process of filing an appeal against the assessment order dated December 23, 2009 with the Commissioner. The penalty proceedings are currently pending.

7. The Deputy Commissioner of Income Tax, Mumbai has by a notice dated October 31, 2005 initiated penalty proceedings against the Company in respect of the assessment year 1998-1999, in terms of Sections 274 and 271 of the Income Tax Act, for concealment of particulars of income and furnishing inaccurate particulars. A notice dated February 15, 2005 had been issued by the Assessing Officer to the Company claiming *inter alia* that income amounting to Rs. 19,970,128 escaped assessment and a re-assessment order to the same effect was issued. The Company filed an appeal dated December 8. 2005 against the said re-assessment order before the Commissioner of Income Tax (Appeals), Mumbai (the "**Commissioner**"), who by an order dated December 22, 2005 annulled the assessment order on the ground that re-opening assessment after four years was bad in law. A letter dated December 6, 2005 was filed by the Company with the Deputy Commissioner of Income Tax to keep the penalty proceedings in abeyance until the appeal was pending before the Commissioner. The Income Tax Department filed an appeal before the Income-Tax Appellate Tribunal, Mumbai on March 5, 2009 against the order dated December 22, 2005, which came to be dismissed by an order dated January 27, 2010. However, the penalty proceedings are currently pending.

8. The Assistant Commissioner of Income Tax, Mumbai has initiated penalty proceedings against the Company in terms of a notice issued under Sections 274 and 271 of the Income Tax Act on December 23, 2009 by for the assessment year 2004-2005 for concealment of particulars of income and furnishing inaccurate particulars. The Assessing Officer passed the assessment order dated December 28, 2006 for the assessment year 2004-2005 and a notice dated March 16, 2009 was issued to the Company for re-opening the assessment claiming that the Company had wrongfully debited provision on account of diminution in the value of the assets amounting to Rs. 14,150,927. The Company filed a writ petition before the High Court of Bombay on January 7, 2010 challenging the notice dated March 16, 2009. The High Court of Bombay by an order dated June 21, 2010 set aside the notice dated March 16, 2010. A letter dated January 12, 2010 was filed by the Company with the Assistant Commissioner of Income Tax to keep the penalty proceedings in abeyance until the appeal was pending before the High Court of Bombay. The penalty proceedings are currently pending.

Service tax proceedings

1. A show cause cum demand notice dated October 20, 2009 has been issued by the Commissioner of Service Tax, Mumbai to the Company, for an amount of Rs. 8,866,820, *inter alia* claiming that the Company has wrongly claimed abatement and availed cenvat credit on input services and evaded payment of service tax in relation to erection, commissioning and installation services provided during April 2008 to September 2008. The Company has filed a reply to the said notice on March 22, 2010 with the Commissioner of Service Tax, Mumbai. The matter is currently pending.

2. A show cause cum demand notice dated October 14, 2009 has been issued by the Joint Commissioner of Service Tax, Mumbai to the Company, for an amount of Rs. 1,541,402, *inter alia* claiming that the Company has not paid service tax on reimbursement of expenses incurred in relation to providing storage and warehouse services from April 2008 to March 2009. The Company has filed a reply to the said notice on March 22, 2010 with the Joint Commissioner of Service Tax, Mumbai. The matter is currently pending.

3. A show cause cum demand notice dated March 18, 2009 has been issued by the Commissioner of Service Tax, Mumbai to the Company, for an amount of Rs. 127,273,571, *inter alia* claiming that the Company has wrongly claimed availed cenvat credit on input services and utilized the same for payment of service tax for all other services where abatement was availed, thereby evading payment of service tax of Rs. 127,273,571, in relation to construction, erection, commissioning and installation services provided during April 2006 to March 2008. The Company has filed a reply to the said notice on November 17, 2009 with the Commissioner of Service Tax, Mumbai. The matter is currently pending.

4. A show cause cum demand notice dated April 9, 2009 has been issued by the Joint Commissioner of Service Tax, Mumbai to the Company, for an amount of Rs. 623,416, inter alia claiming that service tax paid for the composite work contract services for a period from April 2006 to March 2008 were not applicable to contracts signed before June 1, 2007 and such contracts had to be classified in terms of the single scheme for erection, commissioning and installation of structures or erection, commissioning and installation services. The Company has filed a reply to the said notice on November 18, 2009 with the Joint Commissioner of Service Tax, The matter is currently pending.

5. A show cause cum demand notice dated April 9, 2009 has been issued by the Joint Commissioner of Service Tax, Mumbai to the Company, for an amount of Rs. 847,876, *inter alia* claiming that the Company has not paid service tax on reimbursement of expenses incurred in relation to providing storage and warehouse services from April 2006 to March 2008. The Company has filed a reply to the said notice on March 22, 2010 with the Joint Commissioner of Service Tax, The matter is currently pending.

Sales tax proceedings

1. The Commercial Tax Officer, Vadodra has by an assessment order dated October 27, 2008 determined a demand of Rs. 329,816 including interest and penalty for not submitting the TDS certificates, for the assessment year 2004-2005. The Company has paid the Rs. 330,415 on November 29, 2008 and has filed an appeal dated December 8, 2008 before the Deputy Commissioner of Commercial Taxes, Vadodra. The matter is currently pending.

2. The Assistant Commissioner of Sales Tax, Kota has by a rectification order dated June 29, 2009 determined a demand of Rs. 616,471 including interest for not submitting form E-1 in terms of the Rajasthan Value Added Tax Act, 2003 in relation to the interstate sales undertaken by the Company, for the assessment year 2005-2006. The matter is currently pending.

3. The Assistant Commissioner of Sales Tax, Kota has by an assessment order dated September 9, 2008 determined a demand of Rs. 485,183 including interest and penalty for short deposit of tax, for the assessment year 2005-2006. The Company has paid Rs. 233,398 on August 28, 2009. The matter is currently pending.

4. The Assistant Commissioner of Sales Tax, Kota has by an assessment order and a demand notice dated September 29, 2009 determined a demand of Rs. 1,011,921 including interest for not submitting form E-1 in terms of the Rajasthan Value Added Tax Act, 2003 in relation to inter-state sales undertaken by the Company, for the assessment year 2006-2007. The matter is currently pending.

5. The Assistant Commissioner of Sales Tax, Kota has by an assessment order and a demand notice dated September 29, 2009 raised a demand of Rs. 268,782 including interest and penalty for not submitting TDS certificates and short deposit of tax in terms of the Rajasthan Value Added Tax Act, 2003, for the assessment year 2006-2007. The matter is currently pending.

Notices

1. The City and Industrial Development Corporation of Maharashtra Limited ("**CIDCO**") has issued two notices dated July 8, 2010 and July 6, 2010, respectively, to the Company. Under the notice dated July 8, 2010, CIDCO has raised a demand of Rs. 8,023,100 as arrears of service charges and delayed payment charges for the land measuring 43,039 sq.mtr., leased by CIDCO to the Company in terms of lease agreement dated July 8, 1998. Under the notice dated July 6, 2010, CIDCO has raised a demand of Rs. 41,306,872 as arrears of service charges and delayed payment charges for the land measuring 183,990 sq.mtr., leased by CIDCO to the Company in terms of lease agreement dated August 14, 1997. The Company has filed a reply dated August 16, 2010 claiming that there has been no demand of service charges for the previous 12 years and the Company has been paying gram panchayat tax since 1997 and further, the charges were claimed on basis of 'cold storage' category.

Litigation involving the Directors

Nil

Litigation involving the Subsidiaries and joint ventures

Stewarts and Lloyds of India Limited ("*Stewarts and Lloyds*")

Cases filed against Stewarts and Lloyds

1. Eviction proceedings have been initiated against Stewarts and Lloyds by the Estate Officer, Kolkata Port Trust in relation to certain plots which were leased to Stewarts and Lloyds by Kolkata Port Trust ("**KPT**"). Pursuant to five lease deeds dated June 15, 1949, November 26, 1953, February 23, 1953 August 16, 1957 and April 27, 1971, KPT leased four plots of land measuring approximately 31,754.34 sq. mts. to Stewarts and Lloyds. The aforesaid lease deeds expired on December 31, 1978 and fresh lease deeds were entered into between KPT and Stewarts and Lloyds, extending the term of lease till December 31, 1988. The lease period has not been extended beyond December 31, 1988 and Stewarts and Lloyds has not surrendered the premises. KPT sent a notice dated May 30, 2005 to Stewarts and Lloyds to *inter alia* quit, vacate and deliver clear possession of the plots to KPT and pay compensation for unauthorised use from January 1, 1989 upto the date of vacating the land. Stewarts and Lloyds has filed two appeals dated April 23, 2010 before the District Judge, Alipore against order dated March 29, 2010 of the Estate Officer, KPT, who rejected application dated March 23, 2010 filed by Stewarts and Lloyds against his order dated January 12, 2010. In terms of said order KPT was directed to provide a comprehensive statement of accounts of Stewarts and Lloyds and Stewarts and Lloyds was directed to pay Rs. 1,000,000 per month in addition to the current monthly rent on account of compensation. Further, it was alleged by KPT that a sum of Rs. 27,000,000 including interest for delayed payment was recoverable from Stewarts and Lloyds. Stewarts and Lloyds has also requested for stay of proceedings undertaken by the Estate Officer, KPT. The amount involved in these matters aggregates to Rs. 27,000,000 approximately. These matters are currently pending.

2. Bajrang Churiwal has filed a summary suit on September 4, 2010 against Stewarts and Lloyds before the Court of Small Causes, Calcutta. Bajrang Churiwal supplied certain computers and related equipments to Stewarts and Lloyds. However, Stewarts and Lloyds failed to pay an amount of Rs. 8,530 to Bajrang Churiwal on account of expenses incurred by him in relation to courier services. He has claimed an amount of Rs. 8,530 towards courier charges and Rs. 1,470 as interest till filing of the suit, along with 12% p.a. interest thereafter. The matter is currently pending.

Cases filed by Stewarts and Lloyds

1. Stewarts and Lloyds has initiated arbitration proceedings against Brahmaputra Valley Fertiliser Corporation Limited ("**BVFCL**") on May 1, 2010. Pursuant to letter of intent dated August 21, 2001 and work order dated October 25, 2001, Stewarts and Lloyds was appointed by BVFCL for carrying out technical and commercial work for civil and structural piping, equipment, machinery erection for Namrup revamp project, for an amount aggregating to for Rs. 257.01 Million. There was a delay of 35 months in execution

of works by Stewarts and Lloyds due to delay of BVFCL in releasing drawings, supplying materials and payment of Stewarts and Lloyds's running account bills. Stewarts and Lloyds has made a claim aggregating to Rs. 498.90 Million including interest upto June 20, 2010 *inter alia* for release of liquidated damages, release amounts withheld for wrong application of rebate on cutting and welding pipes, compensation for over-run period, service tax disbursement. BVFCL has made a counter claim of Rs. 45.7 Million for *inter alia* liquidated damages, rebate on schedule of rates and work done by third party. The matter is currently pending.

2. Stewarts and Lloyds has filed a civil suit before the City Civil Court, Ahmedabad against Hindustan Dorr-Oliver Limited ("**HDOL**") on April 22, 2008. HDO Process Equipments & Systems Limited, Ahmedabad ("**HDOPE**"), was appointed by Stewarts and Lloyds on August 25, 1999 for designing, manufacturing, testing, supplying and transportation of oil and gas equipments to site of ONGC for an amount aggregating Rs. 10,083,000. There was delay in delivery of equipments and execution of the work due to HDOPE's failure to comply with the terms and conditions of the purchase order dated August 25, 1999 and Stewarts and Lloyds had to deploy another agent to finish the work. HDOPE was thereafter merged with HDOL. Thus, Stewarts and Lloyds filed a suit before the City Civil Court, Kolkata on June 11, 2002 claiming Rs. 9.76 Million from HDOL towards inter alia price reduction due to delay by HDOPE, loss and damage suffered by Stewarts and Lloyds, providing extra services to HDOPE and loss of goodwill. The High Court of Calcutta by an order dated August 14, 2003 rejected the suit on ground of jurisdiction, and granted leave to Stewarts and Lloyds to file plaint at appropriate jurisdiction. An appeal was filed by Stewarts and Lloyds before the High Court of Calcutta (Appellate Side) against the said order, which was dismissed by an order dated July 12, 2006. Thereafter, Stewarts and Lloyds has filed a civil suit before the City Civil Court, Ahmedabad. In addition, a summary civil suit has been filed by HDOL against Stewarts and Lloyds before the City Civil Court, Ahmedabad on February 7, 2004 claiming Rs. 7,913,955 along with an interest of 18% p.a. from February 1, 2004 till the date of payment for *inter alia* failure of Stewarts and Lloyds to pay the outstanding amount. The matters are currently pending.

3. Stewarts and Lloyds has filed a criminal complaint under Section 138 of the Negotiable Instruments Act, 1881 against Shelly Construction ("**Shelly**") before the Metropolitan Magistrate, Calcutta on May 19, 2005. Stewarts and Lloyds appointed Shelly as a sub-contractor in terms of an agreement in 2001. Stewarts and Lloyds had paid to Shelly from time to time on account payments against their running bills. However, after completion of the job, Shelly submitted their final bill for the job executed by them and on scrutiny of the final bill, Stewarts and Lloyds observed that an amount of Rs. 1,200,000 was recoverable from Shelly. Shelly agreed to repay the aforesaid amount in instalments and issued a cheque dated January 11, 2005 for Rs. 100,000. The aforesaid cheque was dishonoured and hence, Stewarts and Lloyds filed the criminal complaint. The matter is currently pending.

4. Stewarts and Lloyds has filed three criminal complaints under Section 138 of the Negotiable Instruments Act, 1881 against Shreeram Energy Limited ("**Shreeram**") before the VII Metropolitan Magistrate Court, Chennai in 2005. Stewarts and Lloyds had pursuant to an agreement provided supply and erection services to Shreeram from April 20, 2003 to August 20, 2003. Shreeram issued three cheques, in consideration for the services rendered by Stewarts and Lloyds, aggregating to Rs. 1.08 Million. The aforesaid cheques were dishonoured, and therefore, Stewarts and Lloyds filed the abovementioned criminal complaints. The matters are currently pending.

Tax proceedings

1. Stewarts and Lloyds has filed two revision applications before the West Bengal Commercial Taxes Appellate and Revision Board on March 12, 2003 against the order dated December 3, 2002, in relation to the assessment year 1996-97. The Assistant Commissioner, Commercial Taxes, Corporate Division, Kolkata issued two demand notices dated June 20, 1999 and June 30, 1999 and raised a demand of Rs. 6.24 Million and Rs. 2.81 Million, respectively, under the West Bengal Sales Tax Act, 1994 and the Central Sales Tax Act, 1956, respectively, *inter alia* for non-receipt of declaration forms and disallowance of erection, freight and other charges. Stewarts and Lloyds filed appeal petitions dated August 24, 1999 against the demand notices and order dated June 30, 1999 before the Deputy Commissioner, Commercial Taxes, Corporate Division, Kolkata, who by an order dated December 3, 2002 modified the assessment

orders. Stewarts and Lloyds has filed the aforesaid revision applications before the West Bengal Commercial Taxes Appellate and Revision Board against the order dated December 3, 2002 and the Deputy Registrar, Commercial Taxes, Kolkata has by an order dated January 28, 2004 stayed realisation of the assessed dues. The matters are currently pending.

2. Stewarts and Lloyds has filed an appeal dated December 27, 2006 before the Commissioner of Income Tax (Appeals), Kolkata (the "**Commissioner**") against the assessment order of the Assessing Officer dated December 5, 2006 in respect of the assessment year 2004-2005. The said appeal was filed with respect to *inter alia* disallowance of certain expenses and determination of an additional demand of Rs. 4.22 Million by the Assessing Officer. Stewarts and Lloyds has also filed an application on January 1, 2007 before the Deputy Commissioner of Income Tax, Kolkata for stay of demand. The matter is currently pending.

3. Stewarts and Lloyds has filed an appeal before the Income Tax Appellate Tribunal, Kolkata against the order of the Commissioner of Income Tax, Kolkata (the "**Commissioner**") dated January 15, 2009 in respect of the assessment year 2004-2005. The Commissioner by said order set aside of the assessment order dated December 5, 2006 for the assessment year 2004-2005 and held that there was under assessment of capital gains. The Assessing Officer thereafter raised a demand of Rs. 10.10 Million in terms of re-assessment order dated February 4, 2010. An application dated February 18, 2010 for stay of demand notice dated February 4, 2010 has also been filed by Stewarts and Lloyds before the before the Deputy Commissioner of Income Tax, Kolkata, who by an order dated March 30, 2010 has stayed the demand until March 30, 2011 or disposal of appeal, whichever is earlier. The matter is currently pending.

4. Stewarts and Lloyds has filed an appeal dated January 29, 2010 before the Commissioner of Income Tax (Appeals), Kolkata (the "**Commissioner**") against the assessment order of the Assessing Officer dated December 24, 2009 and demand notice dated December 30, 2009 in respect of the assessment year 2007-2008. The said appeal was filed with respect to determination of an additional demand of Rs. 7.82 Million by the Assessing Officer. Stewarts and Lloyds has also filed an application for stay on February 2, 2010 before the Deputy Commissioner of Income Tax, Kolkata for stay of demand, who by an order dated March 29, 2010 has stayed the demand until March 30, 2011 or disposal of appeal, whichever is earlier. Additionally, penalty proceedings have also been initiated against Stewarts and Lloyds by a notice dated December 24, 2009 for concealing the particulars of the income. The matter is currently pending.

5. Stewarts and Lloyds has filed an appeal dated November 6, 2009 before the Commissioner of Wealth Tax (Appeals), Kolkata (the "**Commissioner**") against the assessment order of the Assessing Officer and notice of demand, both dated March 27, 2008, in respect of the assessment year 2002-2003. The said appeal was filed with respect to additional demand of Rs. 0.31 Million towards wealth tax. Stewarts and Lloyds has also filed an application for stay on November 10, 2009 before the Deputy Commissioner of Income Tax, Kolkata for stay of demand. The matter is currently pending.

6. Stewarts and Lloyds has filed an appeal dated July 12, 2010 before the Customs, Excise and Service Tax Appellate Tribunal, Kolkata against the order dated March 31, 2010 of the Commissioner of Service Tax, Kolkata. A show cause cum demand notice dated October 20, 2008 was issued by the Commissioner of Service Tax, Kolkata to Stewarts and Lloyds, for non-payment of service tax and cess amounting to Rs. 31.01 Million on erection services and imposing a penalty for the assessment years 2003-2004 and 2004-2005. Stewarts and Lloyds filed its reply dated November 21, 2009 with the Commissioner of Service Tax, Kolkata, who by an order dated March 31, 2010 reduced the demand to Rs. 10.11 Million and imposed penalty. Stewarts and Lloyds has filed the appeal against the said order. The matter is currently pending.

7. A show cause cum demand notice has been issued by the Commissioner of Service Tax, Kolkata on October 14, 2009 raising a demand of Rs. 2.59 Million on account of alleged availment of abatement and utilisation of cenvat credit at the same time by Stewarts and Lloyds for the assessment year 2005-2006. Stewarts and Lloyds has filed its reply dated November 13, 2009 with the Additional Commissioner of Service Tax, Kolkata. The matter is currently pending.

8. A show cause cum demand notice has been issued by the Additional Commissioner of Service Tax, Kolkata on October 15, 2009 raising a demand of Rs. 3.51 Million on account of non-payment of service

tax on trading sales, alleging that such sales are to be treated as business auxiliary service. Stewarts and Lloyds has filed its reply dated November 17, 2009 with the Additional Commissioner of Service Tax, Kolkata. The matter is currently pending.

IOT Engineering & Construction Services Pte. Ltd, Singapore

Nil

Indian Oiltanking Engineering & Construction Services LLC, Oman

Nil

IOT Engineering Projects Limited

Nil

IOT Anwesha Engineering & Construction Limited

Notice by IOT Anwesha Engineering & Construction Limited

1. IOT Anwesha Engineering & Construction Limited has issued a notice dated March 5, 2010 to M/s Balmer Lawrie & Company Limited ("**BLCL**") claiming an amount aggregating to Rs. 6,759,096 *inter alia* for financial loss due to non supply of work front by BLCL on time in terms of the letter of intent dated March 5, 2003, failure to obtain labour license due to which employees of IOT Anwesha Engineering & Construction Limited were restricted from entering the project site and release of liquidated damages.

IOT Design & Engineering Limited

Nil

IOT Utkal Energy Services Limited

Nil

IOT Canada Limited, Canada

Nil

IOT Infrastructures Private Limited

Nil

PT IOT Energy Services Indonesia Ltd, Indonesia

Nil

Newsco Directional & Horizontal Drilling Services (Asia) Inc., Canada

Nil

IOT Anwesha Engineering & Construction LLC., Oman

Nil

Zuari Indian Oiltanking Limited

Cases filed against Zuari Indian Oiltanking Limited

Criminal cases

1. A show cause notice dated November 3, 2008 had been issued by the Sub Divisional Magistrate, Marmugao, under Section 133 of the Code of Criminal Procedure, 1973 with reference to complaint filed by the Sarpanch, Village Panchayat Sancoale. In terms of the show cause notice, Zuari Indian Oiltanking Limited ("**ZIOL**") has been directed to stop the underground seepage of oil/ fuel/ petroleum product and clear the water of the four wells and the nullah contaminated due to such seepage. ZIOL has filed its replies to the same on November 5, 2008 and November 26, 2008 and has claimed that as per the EIA there have been no significant environmental impact and there is no such leakage, seepage or contamination by the terminals owned by ZIOT, rendering the underground water unfit for consuming and posing danger to human life and vegetation. Further, it has been claimed by ZIOL that as per the report of Sawkar Associates, Chartered Engineers there is no such leakage, seepage or contamination by the terminals. The Sub Divisional Magistrate, Marmugao by an order dated December 4, 2008, has *inter alia* directed ZIOL and Zuari Industries Limited to expedite the clearing of stream and wells, the Department of Factories and Boilers to ensure that exact cause of leakage is ascertained and the Mamlatdar to assess the damage/loss caused by such leakage.

   ZIOL has filed a revision application before the Sessions Judge, South Goa on December 29, 2008 requesting *inter alia* for stay of operation of order dated December 4, 2008. The Sessions Judge, South Goa by an order dated January 14, 2009 granted stay and further, by an order dated February 10, 2009 remanded the matter to the Sub Divisional Magistrate, Marmugao. The matter is currently pending.

Civil cases

2. Josefato P.A.F. Valas and others ("**Plaintiffs**") have filed a civil suit for injunction against Zuari Indian Oiltanking Limited ("**ZIOL**") and Simon India Limited ("**SIL**") before the Court of Civil Judge, Senior Division, Vasco-Da-Gama on February 11, 2003 alleging that ZIOL and SIL have trespassed their property. ZIOL and SIL were undertaking the project of laying down the underground pipeline from Mormugao Port to the oil storage terminal at Sancoale. Further, the Plaintiffs have alleged that ZIOL and SIL along with their agents and servants be restrained from trespassing into the property or any part thereof. It is also alleged that ZIOL and SIL are carrying out the work of laying the pipelines in the said property without complying with the provisions of the Petroleum Act, 1934 or the Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962 or the rules framed thereunder. ZIOL had filed its written submissions on February 18, 2003 contending that the said property on which the pipelines has been laid was acquired by the Government of Goa and thus they have not trespassed the said property. The matter is currently pending.

3. Ivo Faria ("**Plaintiff**") filed a civil suit for damages against Zuari Indian Oiltanking Limited ("**ZIOL**")and Simon India Limited ("**SIL**") before the Court of Civil Judge, Senior Division, Vasco-Da-Gama on April 13, 2004 alleging that substantial damage was caused to his residential property due to demolition in a high-handed and illegal manner. ZIOL and SIL had approached the Plaintiff for demolition of part of his residential property for laying down the proposed pipeline for transfer of petroleum products from Marmugao Port Trust to oil terminal of ZIOL. It is contended that ZIOL and SIL had assured the Plaintiff that only the portion of the room where he was selling liquor in sealed bottles will be demolished after due intimation and compensation and no other part of the suit property will be demolished. However, it is alleged that ZIOL and SIL had demolished greater than the agreed portion.

   The Plaintiff has also filed a civil suit before the Court of Civil Judge, Junior Division on July 7, 2003 seeking an injunction which was granted on March 15, 2004 allowing the Plaintiff to carry out the required repairs to protect the remaining part of the residential property. The civil suit filed before the Court of Civil Judge, Senior Division, Vasco-Da-Gama on April 13, 2004was transferred to the Court of Adhoc District Judge – 2, Fast Track Court – II, South Goa on April 15, 2004. The Court of Adhoc District Judge – 2, Fast Track Court – II, South Goa by its order dated January 21, 2008 directed ZIOL, SIL and State of Goa to jointly or severally pay Rs. 150,000 together with an interest at the rate of 6% p.a. from the date of the order to the date of the payment to the Plaintiff. State of Goa and others have filed an application before the High Court of Bombay at Panaji on April 30, 2008 requesting for grant of stay against the execution of the order dated January 21, 2008. State of Goa and others have also filed an appeal before the High Court of Bombay at Panaji on April 30, 2008 for quashing and setting aside the said order. The High Court of Bombay vide an order dated June 24, 2008 granting stay on the execution of order dated January 21, 2008. The matter is currently pending.

4. A writ petition has been filed by Nitol Jinn Trust ("**NJT**") against the Union of India, Zuari Indian Oiltanking Limited ("**ZIOL**") and other before the High Court of Bombay at Goa on January 30, 2006 for stopping the operations of oil tanking by ZIOL at Sancoale to protect the residents of the village of Sancoale and pass appropriate directions to the concerned authorities in this regard. ZIOL had set up an industry for the bulk storage of toxic inflammable chemicals including naphtha, high speed diesel, kerosene and motor spirit in the village of Sancoale. NJT objected the same alleging that the same is in violation and contradiction of, *inter alia,* provisions of environmental laws and rules and regulation relating to hazardous and chemical substance. ZIOL has filed its written submissions in April 2006. The matter is currently pending.

5. A writ petition has been filed by the Village Panchayat, Sancoale ("**Village Panchayat**") against Zuari Indian Oiltanking Limited ("**ZIOL**") before the High Court of Bombay at Goa on July 29, 2003 challenging the order dated June 19, 2003 passed by the Director of Panchayat. ZIOL had applied for a licence from the Village Panchayat for construction of oil tanks and other structures pursuant to its application dated April 9, 2002. As the said application was not processed within a period of 30 days, ZIOL filed a petition before the Deputy Director of Panchayat under section 66(5) of the Goa Panchayat Raj Act, 1994. During the pendency of the said petition, a show cause notice dated June 14, 2002 was issued by the Village Panchayat informing ZIOL that many constructions undertaken by it are without permission and had directed ZIOL to stop all illegal activities. Subsequently, the Deputy Director of Panchayat allowed the petition which was challenged by the Village Panchayat and an interim stay was granted pursuant to an order dated July 26, 2002. Village Panchayat also issued a demolition order dated August 1, 2002 to ZIOL for demolishing the oil tanks and the compound wall on the grounds that the same were constructed by ZIOL without permissions from the relevant governmental authorities. ZIOL challenged the said demolishing order before the Director of Panchayat and the same was allowed pursuant to an order dated June 19, 2003 and thereby setting aside the demolition order. Village Panchayat filed a petition challenging the later. The matter is presently pending.

6. The Village Panchayat of Sancoale has filed a writ petition on May 31, 2007 before the High Court of Bombay and Goa at Panaji against Zuari Indian Oiltanking Limited ("**ZIOL**") claiming *inter alia* that ZIOL has been undertaking illegal construction. It has been alleged by the Village Panchayat of Sancoale that ZIOL constructed the tanks without obtaining a license/ no objection certificate from Gram Sabha. Further, the Additional Director of Panchayat, by an order dated May 15, 2007, directed the Village Panchayat of Sancoale to grant permission for construction of four additional tanks to ZIOL within 15 days and stated that if no such permission is granted, ZIOL may go ahead with the construction. Further, the construction of the four tanks is already completed and application for completion certificate has been made by ZIOL. Therefore, the Village Panchayat of Sancoale has filed the writ petition against the order dated May 15, 2007 praying of writ of certiorari and stay of said order. Further, two writ petitions filed by the Village Panchayat of Sancoale in relation to construction of eight tanks are also pending for final disposal and in terms of orders dated June 16, 2010 of the High Court of Bombay and Goa at Panaji these petitions shall be heard with the writ petition filed by the Village Panchayat of Sancoale against the order dated May 15, 2007. These matters are currently pending.

IndianOil Skytanking Limited

Nil

IOT Mabagas Limited

Nil

Litigation involving the Promoters

There is no outstanding litigation against the Promoters whose outcome could have a likely material adverse effect on the financial performance of the Company. All matters involving financial implication of Rs. 5,000 Million (or its equivalent in any other currency) and above have been stated individually for each of the Promoters.

Indian Oil

Indian Oil is involved in several legal disputes. However, none of such legal disputes including (i) criminal cases in relation to *inter alia* the Indian Penal Code, 1860, the Code of Criminal Procedure, 1973, the Scheduled Castes and the Scheduled Tribes (Prevention of Atrocities) Act, 1989, Standard of Weights and Measures Act, 1976 and Negotiable Instruments Act, 1881, (ii) tax related cases including central excise tax, customs tax, sales tax, income tax, entry tax, service tax and stamp duty, (iii) cases in relation to environmental matters, (iv) labour related matters and (v) civil and arbitration cases, which are pending at various stages of adjudication, have a material adverse effect on the financial performance of either our Company or Indian Oil. All matters involving financial implication of Rs. 5,000 Million (or its equivalent in any other currency) and above have been stated individually for Indian Oil.

a) Litigation involving Indian Oil

Cases filed against Indian Oil

Civil Cases

1. Navyug Nirman Society has filed a public interest litigation against Indian Oil on December 4, 2009 before the High Court of Rajasthan against Union of India, Ministry of Petroleum and Natural Gas and Indian Oil. It has been alleged that Indian Oil violated the statutory provisions while operating the Sitapur terminal at Jaipur, resulting into leakage and consequential fire on October 29, 2009. A claim of compensation amounting to Rs. 50,000,000,000 has been made for losses incurred, including to residents of near-by areas, industries and environment, due to the fire. This matter is currently pending.

Cases filed by Indian Oil

Civil Cases

1. Indian Oil has filed an intervention petition against Fertilizer Corporation of India Limited ("**FCIL**") on May 18, 2009 before the High Court of Delhi claiming an amount aggregating to Rs. 9,150,407,326 along with an interest at the rate of 11.75% p.a. Indian Oil entered into a contract dated April 1, 2002 with FCIL for supply of furnace oil to its Sindri unit. The Board for Industrial & Financial Reconstruction issued a notice dated February 28, 2001 to FCIL to show cause against the formation of opinion of winding up.. The High Court of Delhi has by an order dated November 26, 2002 modified the order of the BIFR and had directed it to form a fresh revival scheme. The High Court of Delhi has thereafter by its order dated July 14, 2009 directed that the claim of Indian Oil shall be dealt in accordance with the terms of the revival scheme to be prepared for FCIL within one year. The revival scheme has not yet been framed. The matter is currently pending.

Tax related proceedings

1. Indian Oil has filed a special leave petition against the Government of Bihar before the Supreme Court of India on May 3, 2007. The Government of Bihar imposed entry tax at the rate of 50% on the imported crude oil on its entry in Bihar under the provisions of the Bihar Entry Tax Act, 1993 for the assessment years 2002-2007 and claiming an amount of Rs. 8,488.6 Million. This imposition of entry tax has been challenged by Indian Oil in the present petition as illegal and unconstitutional. The matter is heard with other similar cases and is presently pending.

2. Indian Oil has filed a suit against the Central Excise Officer, Patna before the Custom, Excise and Service Tax Appellate Tribunal challenging the demand of duty for an amount of Rs. 7,314.7 Million levied on the ground that Indian Oil did not maintain separate accorunts for common inputs used for manufacturing of certain dutiable and exempted products.The matter is presently pending.

3. Indian Oil has filed an appeal on June 1, 2010 before the Deputy Commissioner of Tax, Guwahati against the Superintendent of Taxes, Guwahati and the VAT Audit Cell, Guwahati for raising a demand of sales tax amounting to Rs. 5,787.5 Million under the Assam Vat Act for non-submission of Form-F and Form-C during the assessment for the period May 2005 to March 2006. The Deputy Commissioner of Tax, Guwahati has by an order dated August 23, 2010 directed the Superintendent of Taxes, Guwahati to reframe a fresh order of assessment and refund the excess tax of Rs. 23.7 Million.

4. The Assessing Authority has raised a demand of Rs. 8,873.8 Million against Indian Oil under the Central Sales Tax Act, 1956 for the assessment year 2005-2005 for non submission of sales tax declaration form F/C/D. Indian Oil has thereafter filed the declaration forms and has requested the Assessing Authority to pass a miscellaneous order deleting the aforesaid demand. The matter is currently pending.

b) Arbitration proceedings involving Indian Oil

Cases filed by Indian Oil

1. Indian Oil has initiated arbitration proceedings on March 31, 2008 against Iranian Offshore Engineering & Constructions Co. ("**Iranian Offshore**") raising a claim of USD 49,869,281 and Rs. 11,735,031,658 *inter alia* towards delay in completion of work. Indian Oil by a letter of acceptance dated December 10, 2004 granted work to Iranian Offshore vide letter of acceptance dated December 10, 2004, to be completed by May 9, 2005. The work could not be completed until December 25, 2006, and therefore, the work was terminated and awarded to other contractors. Iranian Offshore has made a counter claim of USD 324,710,272 and Euro 5,500 against Indian Oil. The Arbitral Tribunal has by an interim order dated May 20, 2009 *inter alia* allowed for joint measurement cost to be shared by both Indian Oil & Iranian Offshore and has discharged Iranian Offshore from the undertaking given on November 14, 2007 and that there shall be no embargo on the ship M.V.Abouzar-81 to move out of Indian territorial water.

   Indian Oil filed an appeal before the High Court of Delhi against the order dated May 20, 2009, which was partially dismissed by an order dated September 15, 2009 in relation to removal of the embargo on movement of the ship. Indian Oil has filed a special leave petition before the Supreme Court against the order dated September 15, 2009. Further, the High Court of Delhi by an order dated September 17, 2009 set aside the order in relation to sharing of joint measurement costs by Indian Oil and Iranian Offshore has filed a special leave petition before the Supreme Court against the said order. The Supreme Court has by an order dated December 18, 2009 directed Iranian Offshore to give advance notice of at least three weeks to Indian Oil before removing the ship from territorial waters of India and that Indian Oil may apply to Arbitral Tribunal for seeking appropriate relief. Iranian Offshore has by a letter dated April 13, 2010 issued a three weeks' notice stating that the vessel would sail on May 5, 2010. Indian Oil has filed a petition seeking appropriate relief before the Arbitral Tribunal, which has by an order dated May 27, 2010, held that an arbitral award passed by a tribunal in India is enforceable in Iranian court and has rejected Indian Oil's application. Further, Indian Oil had appointed Anil Tandon as general manager under the contract to decide upon the notified claims of Iranian Offshore. Iranian Offshore has challenged his appointment of before the High Court of Delhi, which has by an order dated July 19, 2010 stayed hearing of arbitration petition by the arbitrator tribunal.

Tabular details of tax litigation

The following table sets forth the compiled position of tax claims for Indian Oil prepared in terms of the Companies (Auditors' Report) Order, 2003 (Disputed Cases) for the FY 2009-2010:

Sr. no.	Name of the Statute/nature of dues	Forum where dispute is pending	Net amount (Rs. In crore)	Period to which the amount relates (financial years)
1	Central excise	Supreme Court	1.67	1990 to 2010
		High Court	49.03	1990 to 2010
		Tribunal	2,198.13	1980 to 2010
		Revisionary Authority	0.11	2000 to 2010
		Appellate Authority (Below Tribunal)	471.27	1990 to 2010
		Total	**2,720.21**	
2	Customs duty	Supreme Court	-	
		High Court	-	
		Tribunal	20.12	1990 to 2010
		Revisionary Authority	-	
		Appellate Authority (Below Tribunal)	9.55	1990 to 2010
		Total	**29.67**	
3	Sales tax/turnover tax/penalty/interest	Supreme Court	262.60	2000 to 2010
		High Court	777.55	1970 to 2010
		Tribunal	971.35	1980 to 2010
		Revisionary Authority	188.20	1990 to 2000
		Appellate Authority (Below Tribunal)	5,497.05	1970 to 2010
		Total	**7,696.75**	
4	Income tax	Supreme Court	-	
		High Court	-	
		Tribunal	75.14	2000 to 2010
		Revisionary Authority	-	
		Appellate Authority (Below Tribunal)	5.46	2000 to 2010
		Total	**60.14**	
5	Service tax	Supreme Court	-	
		High Court	-	
		Tribunal	53.64	2000 to 2010
		Revisionary Authority	-	
		Appellate Authority (Below Tribunal)	6.50	2000 to 2010
		Total	**4,714.87**	
6	Entry tax	Supreme Court	924.30	2000 to 2010
		High Court	3,214.62	1990 to 2010
		Tribunal	110.42	1990 to 2010
		Revisionary Authority	-	
		Appellate Authority (Below Tribunal)	465.53	1990 to 2010

		Total	**4,714.87**	
7	Others (commercial tax/ entertainment tax Etc.)	Supreme Court	33.31	2000 to 2010
		High Court	-	
		Tribunal	-	
		Revisionary Authority	-	
		Appellate Authority (Below Tribunal)	1.03	2000 to 2010
		Total	**34.34**	
		Grand Total	**15,336.58**	

Oiltanking

a) Arbitration proceedings involving Oiltanking

Cases filed by Oiltanking

1. On May 1, 2008 the Government of Bolivia expropriated shares held by Oiltanking (held through its 50% subsidiary Oiltanking Bolivia Investments S.A. (which is under liquidation) and its Peruvian partner Granay Montero S.A.A. in Compañía Logística de Hidrocarburos Boliviana S.A. as part of its programme to nationalise the oil infrastructure within Bolivia. Oiltanking has not recieved any compensation from the government of Bolivia and has written off its investment in Compañía Logística de Hidrocarburos Boliviana S.A. Oiltanking has together with two Peruvian companies initiated arbitration proceedings on January 8, 2010 in the Permanent Court of Arbitration, Hague against the Government of Bolivia, under the bilateral investment treaties between Germany and Bolivia and between Peru and Bolivia respectively, claiming compensation on the basis of fair market value of the shares at the time of the aforesaid expropriation. The matter is currently pending.

Oiltanking India

Nil

Litigation involving the Group Companies

There is no outstanding litigation against the Group Companies whose outcome could have a likely adverse effect on the financial performance of the Promoters or the Company. However, matters involving financial implication of Rs. 1,000 Million (or its equivalent in any other currency) and above have been stated individually for the Group Companies.

Chennai Petroleum Corporation Limited ("CPCL")

Tax proceedings

CPCL, Manali clears all its petroleum products to the other marketing companies on payment of duty as per Section 4 (1) (a) of the Central Excise Act, 1944. In terms of the Excise Rules, when sale is made to related and unrelated person, duty is required to be paid on the transaction value. The Excise Department demanded duty amounting to Rs. 1,210,992,342 for the sales made to Indian Oil on selling price, by treating the same as exclusive sales to related person under Rule 9 of the Valuation Rules. The demand raised by the Excise Department was set aside by the Commissioner of Central Excise. The Revenue Department has filed an appeal against the order of the Commissioner of Central Excise. The matter is currently pending before the Supreme Court.

Material Developments

There have been no material developments, since the date of the last balance sheet otherwise than as disclosed in the section "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on page 270 of this Draft Red Herring Prospectus.

GOVERNMENT AND OTHER APPROVALS

On the basis of the material approvals listed below, we can undertake this Issue and the current business activities and no further material approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue its business activities. Unless otherwise stated, these approvals are valid as of the date of this Draft Red Herring Prospectus. Certain approvals have elapsed in their normal course and the Company has either made an application to the appropriate authorities for renewal of such licenses and/or approvals or is in the process of making such applications. We undertake to obtain all approvals, licenses, registrations and permissions required to operate our business.

I. Approvals in relation to the Issue

1. Approval of the Board dated July 27, 2010 for the Issue, subject to the approval by the shareholders of the Company under Section 81(1A) of the Companies Act.

2. Approval of the shareholders of the Company dated July 27, 2010 for the Issue under Section 81(1A) of the Companies Act.

3. Approval of the managing director of Oiltanking India and board of directors of Indian Oil dated July 26, 2010 and July 24, 2010, respectively, approving the Offer for Sale.

4. In-principle approval dated [●], 2010 from the BSE.

5. In-principle approval dated [●], 2010 from the NSE.

6. The Company will apply to RBI to approve the transfer of the Equity Shares by the Selling Shareholders in the Offer for Sale.

II. Approvals for conducting our business in India

We require various approvals and/ or licences under various rules and regulations to conduct our business in India and overseas. These approvals and/or licences differ on the basis of the location of the project as well as the nature of activities to be conducted at the project. Further, for most of our projects, we share the responsibility with the customer/ client for obtaining the permits, licences and approvals from the appropriate regulatory and governing authorities in accordance with the terms of the project related agreements. With respect to the projects for which we hold the responsibility of obtaining approvals and/or licences, the customer/ client is required to provide the necessary support and documents including necessary drawings for submission to the regulatory authorities/ departments.

Some of the material approvals required by us to undertake our businesses including EPC Business, Terminalling Business, Upstream Business and Renewable Energy Business are set out below:

1. Licence from the Chief Inspector of Factories under the provisions of the Factories Act, 1948 for the establishment of the relevant project plant/factory.

2. No Objection Certificate from the District Magistrate/Additional District Magistrate for installation/setting up of plant/ factory.

3. Licence from the Chief Controller of Explosives under the Indian Petroleum Act 1934 and the rules made thereunder for import and storage of petroleum and petroleum products.

4. Licence from the Petroleum and Explosive Safety Organisation for import and storage of petroleum and explosive products.

5. Licence from Office of Licensing Officer and Assistant Labour Commissioner under the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, in relation to the registration of the contract labour for the work at the project.

6. Certificate from Provident Fund Inspector and Regional Provident Fund Commissionerunder the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the scheme framed thereunder for allotment of provident fund number.

7. Registration from Employee State Insurance Corporation under the Employees State Insurance Act, 1948 for registration of employees, factories and establishments.

8. Certificate of registration from Office of Licensing Officer and Assistant Labour Commissioner under the Building and Other Construction Workers (RE&CS) Act, 1996.

9. Certificate from Office of Licensing Officer and Assistant Labour Commissioner under the Inter – State Migrant Workmen Act, 1979.

10. Certificate from the Profession Tax Officer under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act 1975 for registration as an employer under the same.

11. Consents from the State Pollution Control Board to operate under the provisions of the Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981.

12. Authorisation from the State Pollution Control Board under the Hazardous Waste Management and Handling Rules, 1989 for collection, reception, treatment, storage, transportation and disposal of hazardous waste.

13. Licence from the Director General of Civil Aviation under the Civil Aviation Requirements, Section 2, Series 'E' for Bulk Storage and distribution of Jet A1 fuel including aircraft fuelling and defuelling.

14. Permission from the State Boiler Inspector under the provisions of Indian Boiler Regulations, 1950 for boiler steaming permissions.

15. Permissions from the Central Electricity Authority/ State Electricity Board under the Indian Electricity Rules 1956 for installation of electrical work and energisation.

16. Permission from the Chief Controller of Explosives for the use of explosives at the project site.

17. Registration under the Bombay Shops and Establishment Act, 1948 for registration of commercial establishment.

18. Very High Frequency Licence from the Ministry of Communication for the purpose of setting of wireless station at the terminal sites.

19. Calibration of weights and measures by the Controller of Weights and Measures of the relevant State Government.

20. Permission for warehousing of imported goods in Customs Bonded Warehouses under the provisions of the Customs and Excise laws.

21. Licence from Chief Controller or Controller authorised by Chief Controller to fill compressed gas in cylinders and possessing cylinders or pressure vessel(s) filled with compressed gas under the Gas Cylinder Rules, 2004.

22. No Objection Certificate from the Airport Authority of India for construction of storage tanks.

23. Certificate of organisation approval from Directorate General of Civil Aviation.

24. Fire licence issued by the Directorate of Fire & Emergency Services under Rule 26 of Fire Force Act, applicable in the state of Goa.

25. Permission from the Directorate General of Mines Safety for construction of intermediate tank farm under the provisions of Regulation 51 of Oil Mines Regulations, 1984.

26. Registration certificate from the Sales Tax Authority of the respective state under the Value Added Tax Act, 2003 of the relevant State for works contracts.

27. Registration certificate from the Office of the Assistant Commissioner of Taxes under the Entry Tax Act of the relevant State for bringing material into the respective state.

28. Registration certificate from the Sales Tax Department of the respective state under the Central Sales Tax Act, 1956 to register as a dealer.

29. Permission from the Office of the Assistant Commissioner of Central Excise under the centralized service tax for providing services under different categories.

30. Allotment of Permanent Account Number and Tax Deduction Account Number under the provisions of the Income Tax Act, 1961.

31. Certificate of Import – Export Code from the Ministry of Commerce and Industry for registration as a merchant exporter.

32. Any other permission from the authorities specifically required for a particular project and other statutory provisions of India.

III. Approvals for Company's business in overseas

We may be required to obtain approvals and/ or certifications from the applicable regulatory authority in the jurisdiction where we operate or conduct our business.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue by the Company has been authorised by the resolution of the Board of Directors passed at their meeting held on July 27, 2010.

The shareholders have authorised the Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, passed at the Extraordinary General Meeting of the Company held on July 27, 2010, at Mumbai.

The Selling Shareholders have approved the transfer of Equity Shares pursuant to the Offer for Sale in terms of approval of the managing director of Oiltanking India and board of directors of Indian Oil dated July 26, 2010 and July 24, 2010, respectively.

Prohibition by SEBI

The Company, Promoters, Directors, Promoter Group entities, Group Companies and the Selling Shareholders, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other authorities.

The companies, with which Promoters, Directors or persons in control of the Company are associated as promoter, directors or persons in control have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

Details of the entities that the Directors are associated with, which are engaged in securities market related business and are registered with SEBI for the same, have been provided to SEBI.

Prohibition by RBI

Neither of the Company, the Promoters and the Group Companies have been identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or are pending against them.

Eligibility for the Issue

The Company is eligible for the Issue in accordance with the Regulation 26(1) of the SEBI Regulations as explained under the eligibility criteria calculated in accordance with financial statements under Indian GAAP:

- The Company has net tangible assets of at least Rs. 30 Million in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets.

- The Company has a track record of distributable profits in terms of Section 205 of the Companies Act, for at least three out of the immediately preceding five years.

- The Company has a net worth of at least Rs. 10 Million in each of the preceding three full years (of 12 months each).

- The aggregate of the proposed Issue and all previous issues made in the same financial years in terms of the issue size is not expected to exceed five times the pre-Issue net worth of the Company.

- The Company has not changed its name in the last fiscal year.

The Company's net profit, net worth, net tangible assets and monetary assets derived from the Standalone Restated Financial Statements included in this Draft Red Herring Prospectus as at, and for the last five years ended Fiscal 2010 are set forth below:

(*In Rs. Million*)

Particulars	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006
Distributable Profits [1]	475.54	453.70	342.87	207.47	183.43
Net Worth[2]	4,721.00	4,245.43	3,790.25	1,847.38	1,639.90
Net Tangible assets[3]	8,530.26	8,171.65	5,881.73	3,564.02	3,363.07
Monetary assets[4]	10.88	19.57	31.70	305.29	37.81
Monetary assets as a percentage of the net tangible assets	0.1%	0.2%	0.5%	8.6%	1.1%

[1] *Distributable profits' have been defined in terms of Section 205 of the Companies Act.*

[2] *'Net worth' has been defined as the aggregate of equity share capital and reserves, excluding preference share redemption reserve and miscellaneous expenditures, if any.*

[3] *'Net tangible assets' means the sum of all net assets of the Company excluding intangible assets as defined in Accounting Standard 26 issued by Institute of Chartered Accountants of India.*

[4] *Monetary assets comprise of cash and bank balances and public deposit accounts with the Government.*

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; otherwise the entire application money will be refunded forthwith. In case of delay, if any, in refund the Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

In terms of Rule 19(2)(b)(i) of the SCRR, this is an issue for more than 25% of the post-Issue paid-up equity share capital. The Issue is being made through the 100% Book Building Process wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to QIB Bidders. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% 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.

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 (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY AND THE SELLING SHAREHOLDERS ARE 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 SEPTEMBER 8, 2010 WHICH READS AS FOLLOWS:

WE, THE LEAD MERCHANT BANKER(S) TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**

   (A) **THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

   (B) **ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

   (C) **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS/DRAFT PROSPECTUS. <u>COMPLIED WITH AND NOTED FOR COMPLIANCE.</u>**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SECURITIES AND EXCHANGE BOARD OF INDIA. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. NOT APPLICABLE.**

8. **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.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. NOTED FOR COMPLIANCE.**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE.**

    AS THE OFFER SIZE IS MORE THAN RS. 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

    (A) **AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND**

    (B) **AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA FROM TIME TO TIME.**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE**

MAKING THE ISSUE.

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

The filing of the Draft Red Herring Prospectus does not, however, absolve the Company and the Selling Shareholders from any liabilities under Section 63 or Section 68 of the Companies Act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Managers, any irregularities or lapses in the Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

Caution - Disclaimer from the Company, the Directors, the Selling Shareholders and the BRLMs

The Company, the Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at the Company's instance and anyone placing reliance on any other source of information, including the Company's website www.iotinfraenergy.com, would be doing so at his or her own risk. The information on the Company's website does not form part of this Draft Red Herring Prospectus.

The BRLMs accept no responsibility, save to the limited extent as provided in the agreement entered into between the BRLMs, the Selling Shareholders and the Company and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and the Company.

All information shall be made available by the Company, the Selling Shareholders 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 the Company, the Selling Shareholders nor the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to the Company, the Selling Shareholders, 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 the 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 the Equity Shares of the Company. The Company, the Selling Shareholders, 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 and Eligible NRIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate courts in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the 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, 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 Equity Shares have not been and will not be registered under the Securities Act, the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with the applicable securities laws of any state or other jurisdiction of the United States. Accordingly, the Equity Shares are being offered and sold (1) in the United States only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act in transactions exempt from the registration requirements of the Securities Act in reliance on Rule 144A under the Securities Act or another available exemption and (2) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

Disclaimer Clause of the BSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to the Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to the Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

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, Everest 5th Floor, 100, Marine Drive, Mumbai 400 002.

Listing

Applications will be made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] 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 the Equity Shares are not granted by either of the Stock Exchanges mentioned above, the Company and the Selling Shareholders will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within eight days after the Company and the Selling Shareholders become liable to repay it, i.e. from the date of refusal or within seven days from the Bid/ Issue Closing Date, whichever is earlier, then the Company, the Selling Shareholders and every Director of the Company who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest at the rate of 15% p.a. on application money, as prescribed under Section 73 of the Companies Act.

The company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at both the Stock Exchanges mentioned above are taken within 12 working days of the Bid/Issue Closing Date. Further, the Selling Shareholders confirms that all steps, as may be reasonably required and necessary, 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 12 working days of the Bid/Issue Closing Date.

Consents

Consents in writing of: (a) the Directors, the Company Secretary, the Compliance Officer, the Auditors, the legal advisors, the Bankers to the Issue, the Bankers to the Company; and (b) the Book Running Lead Managers, the Syndicate Members, the Escrow Collection Banks, the Registrar to the Issue and the IPO Grading Agency to act in their respective capacities, will be obtained and would be filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

The Auditors, have given their written consent to statement of the tax benefits available to the Company and its members in the form and context in which it appears in this Draft Red Herring Prospectus and such consent has not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI Regulations, Lodha & Company, Chartered Accountants, the Company's Statutory Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in the Draft Red Herring Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

Expert Opinion

Except as stated below, the Company has not obtained any expert opinions:

We have received consent from our Statutory Auditors namely, Lodha & Co., Chartered Accountants, to include their names as an expert in this Draft Red Herring Prospectus in relation to the report of the auditors dated September 7, 2010 and statement of tax benefits dated September 7, 2010 accruing to our Company and its members in the form and context in which it appears in this Draft Red Herring Prospectus.

[●], 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 to the Designated Stock Exchange.

The Issue has been graded by [●]. The report of [●] in respect of the IPO Grading of the Issue along with the rationale for the grading has been annexed with the Draft Red Herring Prospectus.

Issue Related Expenses

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. Other than listing fees which will be paid by the Company, all expenses with respect to the Issue will be shared between the Company and the Selling Shareholders who have offered their shares for sale on a prorata basis, in the ratio of the Equity Shares issued by the Company in the Fresh Issue and the Equity Shares being sold by the Selling Shareholders in the Offer for Sale. For further details of Issue related expenses, see the section "Objects of the Issue" beginning on page 39 of this Draft Red Herring Prospectus.

Fees Payable to the Book Running Lead Managers and Syndicate Members

The total fees payable to the BRLMs and the Syndicate Members (including underwriting commission and selling commission) will be as stated in the engagement letter with the BRLMs, a copy of which will be available for inspection at the Registered Office from 10:00 a.m. to 4:00 p.m. on working days from the date of filing of this Draft Red Herring Prospectus until the Bid/ Issue Period.

Fees Payable to the Registrar to the Issue

The fees payable 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 per the MoU signed between the Company, the Selling Shareholders and the Registrar to the Issue dated [●], a copy of which will be available for inspection at the Registered Office from 10:00 a.m. to 4:00 p.m. on working days from the date of filing of this Draft Red Herring Prospectus until the Bid/ Issue Period.

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 it to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

Particulars regarding Public or Rights Issues by the Company during the last Five Years

The Company has not made any public or rights issues during the last five years.

Previous issues of Equity Shares otherwise than for cash

The Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since the Company's inception.

Previous capital issue during the previous three years by listed Subsidiaries, Group Companies and associates of the Company

None of the Group Companies, associates and Subsidiaries of the Company, except Chennai Petroleum Corporation Limited, Petronet LNG Limited, Lanka IOC PLC and Stewarts & Lloyds of India Limited, are listed on any stock exchange. Chennai Petroleum Corporation Limited, Petronet LNG Limited, Lanka IOC PLC or Stewarts & Lloyds of India Limited have not made any capital issue during the previous three years.

Performance vis-à-vis objects – Public/ Rights Issue of the Company and/ or listed Group Companies, Subsidiaries and associates of the Company

The Company has not undertaken any previous public or rights issue. None of the Group Companies, associates and Subsidiaries of the Company, except as disclosed in the section titled "Group Companies" and "Subsidiaries and Joint Ventures", are listed on any stock exchange.

Outstanding Debentures or Bonds

The Company does not have any outstanding debentures or bonds as of the date of filing this Draft Red Herring Prospectus.

Outstanding Preference Shares

The Company does not have any outstanding Preference Shares as of the date of filing this Draft Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public offering of the Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue, the Company and the Selling Shareholders will provide for retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of letters of Allotment, demat credit, 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, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy or the SCSB, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the ASBA Bid cum Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances by the Company

The Company estimates that the average time required by the Company or the Registrar to the Issue or the SCSB in case of the ASBA Bidders process for the redressal of routine investor grievances shall be 10 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, the Company will seek to redress these complaints as expeditiously as possible.

The Company has appointed a Shareholders'/ Investors' Grievance Committee comprising of Arun Balakrishnan, R. Narayanan and Vinod Kumar Sharma as members.

The Company has appointed Girjesh Shrivastava 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:

IOT Infrastructure & Energy Services Limited

103 Spectra, Hiranandani Business Park
Powai, Mumbai, 400 076
Tel: (91 22) 6677 2725
Fax: (91 22) 6691 9599

E-mail: investor.relations@iotinfraenergy.com

Changes in Auditors

There has been no change in the auditors of the Company during the last three years.

Capitalisation of Reserves or Profits

The Company has not capitalised its reserves or profits at any time during the last five years.

Revaluation of Assets

The Company has not re-valued its assets in the last five years.

TERMS OF THE ISSUE

The Issue shall be subject to the provisions of the Companies Act, the SCRR, the Memorandum and the Articles, the terms of this Draft Red Herring Prospectus, the 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 and trading 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.

Ranking of Equity Shares

The Equity Shares being allotted shall be subject to the provisions of the Memorandum and the Articles and shall rank *pari-passu* with the existing Equity Shares of the Company including rights in respect of dividend. The Allotees of the 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, see the section "Main Provisions of the Articles of Association" beginning on page 381 of this Draft Red Herring Prospectus.

Except for the listing fee which will be borne by the Company, expenses relating to the Issue as mentioned above will be borne by the Company and the Selling Shareholders in proportion of the Equity Shares contributed to the Issue. For further details, see the section "Other Regulatory and Statutory Disclosures – Issue Related Expenses" beginning on page 332 of this Draft Red Herring Prospectus.

Mode of Payment of Dividend

The Company shall pay dividends to the shareholders in accordance with the provisions of the Companies Act, the Articles and the provision of the Listing Agreements.

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 *inter alia* 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 the Company's Memorandum and Articles.

For a detailed description of the main provisions of the Articles including those relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, see the section "Main Provisions of the Articles of Association" beginning on page 381 of this Draft Red Herring Prospectus.

Market Lot and Trading Lot

The Equity Shares shall be allotted only in dematerialised form and trading shall only be in dematerialised form. Since trading of the 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 Equity Share subject to a minimum Allotment of [●] Equity Shares.

The Price Band and the minimum Bid lot size for the Issue will be decided by the Company and the Selling Shareholders in consultation with the BRLMs and advertised in [●] edition of English national daily [●], [●] edition of Hindi national daily [●] and [●] edition of [●] regional language newspaper, at least two working days prior to the Bid/ Issue Opening Date.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai.

Nomination Facility to Investor

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 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office or to the Registrar.

Further, any person who becomes a nominee 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 ninety 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 the 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 the Company does not receive the minimum subscription of 90% of the Fresh Issue, including devolvement of underwriters within 60 days from the Bid/Issue Closing Date, the Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Company becomes liable to pay the amount, the Company shall pay interest prescribed under Section 73 of the Companies Act.

Further, the Company shall ensure that the number of prospective allotees to whom Equity Shares will be allotted shall not be less than 1,000.

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.

Arrangement for disposal of odd lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of shares

Except for lock-in of the pre-Issue Equity Shares, Promoters' minimum contribution and Anchor Investor lock-in in the Issue as detailed in the section "Capital Structure" beginning on page 26 of this Draft Red Herring Prospectus, and except as provided in the Articles, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfers of debentures except as provided in the Articles. There are no restrictions on transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles. See the section "Main Provisions of the Articles of Association" beginning on page 381 of this Draft Red Herring Prospectus.

The Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of 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 in accordance with the applicable securities laws of any state or other jurisdiction of the United States.

ISSUE STRUCTURE

Issue of 72,746,622 Equity Shares for cash at a price of Rs. [●] per Equity Share (including share premium of Rs. [●] per Equity Share) aggregating to Rs. [●] Million. The Issue consists of a Fresh Issue of 58,197,300 Equity Shares aggregating to Rs. [●] Million and an Offer for Sale of 14,549,322 Equity Shares by the Selling Shareholders.

The Issue is being made through the 100% Book Building Process.

	QIBs#	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares*	Not more than 36,373,311 Equity Shares	Not less than 10,911,993 Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than 25,461,318 Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue Size available for Allotment/allocation	Not more than 50% of the Issue Size being allocated. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only	Not less than 15% of Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than 35% of the Issue or Issue less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allotment/ Allocation if respective category is oversubscribed	Proportionate as follows: (a) 1,273,066 Equity Shares shall be allocated on a proportionate basis to Mutual Funds only; and (b) 24,188,252 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 (in multiples of [●] Equity Shares) that the Bid Amount exceeds Rs. 100,000	Such number of Equity Shares (in multiples of [●] Equity Shares) that the Bid Amount exceeds Rs. 100,000	[●] Equity Shares
Maximum Bid	Such number of Equity Shares not exceeding the Issue, subject to applicable limits (excluding Allocation to Anchor Investors, if any)	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

	QIBs#	Non-Institutional Bidders	Retail Individual Bidders
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 one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one 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, scheduled commercial banks, mutual funds registered with SEBI, 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, insurance companies registered with IRDA, provident funds with minimum corpus of Rs. 250 Million, pension fund with minimum corpus of Rs. 250 Million and National Investment Fund set up by Government of India and insurance funds set up and managed by army, navy or air force of the Union of India	Resident Indian individuals, Eligible NRIs, HUF (in the name of Karta), companies, corporate bodies, scientific institutions, societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals	Resident Indian individuals, Eligible NRIs, HUF (in the name of Karta) such that the Bid Amount per individual Bidder does not exceed Rs. 100,000 in value
Terms of Payment	Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members	Amount shall be payable at the time of submission of Bid cum Application Form##	Amount shall be payable at the time of submission of Bid cum Application Form##
Margin Amount	Full Bid Amount on bidding	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 other Anchor Investors. For further details, see the section "Issue Procedure" beginning on page 349 of this Draft Red Herring Prospectus.

In case of the ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account that are specified in the

ASBA Bid cum Application Form.

* *Subject to valid Bids being received at or above the Issue Price, this issue is being made in accordance with Rule 19 (2)(b)(i) of the SCRR as amended under the SEBI Regulations, where the Issue will be made through the the 100% Book Building Process wherein not more than 50% of the Issue shall be allocated to QIB Bidders on a proportionate basis. Out of the QIB Portion (excluding the Anchor Investor Portion) 5% shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder shall be available for allotment on a proportionate basis to all QIBs, including Mutual Funds, subject to valid bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 1,273,066 Equity Shares, the balance Equity Shares available for allocation 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 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% 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 would be met with spill-over from other categories at the discretion of the Company in consultation with the BRLMs and the Designated Stock Exchange.

** *In case the Bid cum Application Form is submitted in joint names, the Bidders should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.*

Withdrawal of the Issue

The Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the Issue anytime after the Bid/Issue Opening Date. 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 and thereafter determines that it will proceed with an initial public offering of its Equity Shares, the Company shall be required to file a fresh draft red herring prospectus with SEBI.

Any further issue of Equity Shares by the Company shall be in compliance with applicable laws.

Bid/ Issue Programme

BID/ISSUE OPENS ON	**[●], 2010***	
BID/ISSUE CLOSES ON	**FOR QIB BIDDERS**	**FOR NON-INSTITUTIONAL AND RETAIL BIDDERS**
	[●], 2010	**[●], 2010**

* *The Company may consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one working 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, "**IST**") during the Bid/ Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form. On the Bid/ Issue Closing Date, the Bids (excluding the ASBA Bids) shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until (i) 4.00 p.m. (IST) in case of Bids by QIB Bidders and Non-Institutional Bidders, and (ii) until 5.00 p.m. (IST) or such extended time as permitted by the BSE and the NSE, in case of Bids by Retail Individual Bidders. It is clarified that the Bids not uploaded in the book would be rejected. Bids by the ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the Stock Exchanges.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the physical Bid cum Application Form of the 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.

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/ Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Bid/ Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/ Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holiday).

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 time period for acceptance of Bid cum Application Forms as stated herein and reported by the BRLMs to the Stock Exchange within half an hour of such closure.

The Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on 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 working days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bid/Issue Period will be extended for three additional working days after revision of Price Band subject to the Bid/ Issue Period not exceeding 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 Stock Exchanges, by issuing a press release and also by indicating the changes on the website of the BRLMs and at the terminals of the Syndicate.

ISSUE PROCEDURE

This section applies to all Bidders. Please note that all Bidders other than Anchor Investors can participate in the Issue through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. The ASBA Bidders should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all the Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form.

Book Building Procedure

In terms of Rule 19(2)(b)(i) of the SCRR, this is an issue for more than 25% of the post-Issue paid-up equity share capital. This Issue is being made through the 100% Book Building Process wherein not more than 50% of the Issue will be allocated to QIBs on a proportionate basis. Out of the QIB Portion (excluding the Anchor Investor Portion), 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% 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.

All Bidders other than the ASBA Bidders are required to submit their Bids through the Syndicate. ASBA Bidders are required to submit their Bids to the SCSBs.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account shall be treated as incomplete and rejected. 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

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA as well as non ASBA Bidders)	White
Eligible NRIs and FIIs applying on a repatriation basis (ASBA as well as non ASBA Bidders)	Blue
Anchor Investors*	White

**Bid cum Application forms for Anchor Investors have been made available at the offices of the BRLMs.*

Bidders (other than ASBA Bidders) are required to submit their Bids through the Syndicate. Such Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. 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. ASBA Bidders shall submit an ASBA Bid cum Application Form either in physical or electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the ASBA Bid cum Application Form only. The ASBA Bid cum Application Form will also be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date and shall bear an unique application number. The BRLMs and the SCSBs will provide the hyperlink to BSE or NSE on their websites. Only QIBs can participate in the Anchor Investor Portionand such Anchor Investors cannot submit their Bids through the ASBA process.

Upon the filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completion and submission of the Bid cum Application Form to a Syndicate or the SCSB, the Bidder or the ASBA Bidder is deemed to have authorised 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 Bidder or the ASBA Bidder.

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;
- 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-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category.
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Funds registered with SEBI;
- Multilateral and bilateral development financial institutions;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions 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 a minimum corpus of Rs. 250 Million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with a minimum corpus of Rs. 250 Million and who are authorised under their constitution to hold and invest in equity shares;
- National Investment Fund; and
- Insurance funds set up and managed by the army, navy or air force of the Union of India.

As per the existing regulations, OCBs cannot participate in this Issue.

Participation by associates and affiliates of the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the 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 Bidders, where the allocation is on a proportionate basis.

The BRLMs and any persons related to the BRLMs or 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 1,273,066 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 other 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.

No mutual fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single 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 the Registered Office, with the Syndicate and the Registrar to the Issue.

2. Eligible NRIs applicants should note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts should use the form meant for Resident Indians.

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 total post-Issue paid-up share capital (i.e. 10% of 290,986,455 Equity Shares). In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total paid-up share capital or 5% of the total paid-up share capital in case such sub-account is a foreign corporate or a foreign individual. As of now, the aggregate FII holding in the Company cannot exceed 24% of the 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%.

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 (the "SEBI FII Regulations"), an FII, as defined in the SEBI FII Regulations, deal or hold, offshore derivative instruments (as defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a FII against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FII is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII

Regulations. Associates and affiliates of the underwriters including the BRLMs and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such Offshore Derivative Instrument does not constitute any obligation or claim or claim on or an interest in the Company.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Funds

The SEBI (Venture Capital Funds) Regulations, 1996 and SEBI (Foreign Venture Capital Investor) Regulations, 2000 *inter alia* prescribe the investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI.

Accordingly, 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. 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 IPO of a venture capital undertaking whose shares are proposed to be listed.

The above information is given for the benefit of the Bidders. The Company, the Selling Shareholders 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 Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Share thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off Price option, the Bid would be considered for allocation under the Non-Institutional Portion. The Cut-off Price 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. **A QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the Bid Amount upon submission of the Bid. As the Bid/Issue Period for QIBs shall close one day prior to the Bid/Issue Closing Date, QIBs are not allowed to withdraw their Bids after [●], i.e., one Working Day prior to the Bid/Issue Closing Date.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.

(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 under the Anchor Investor Portion. **Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor**

Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in date mentioned in the revised Anchor Investor Allocation Notice.

Retail Individual Bidders should note that discount will not be offered on application but will be offered on Allotment. Hence, Retail Individual Bidders should not deduct the Retail Discount while submitting the Bid cum Application Form. The excess amount paid at the time of bidding shall be refunded to the Retail Individual Bidders on Allotment.

Information for the Bidders:

(a) The Company, the BRLMs shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in [●] edition of English national daily [●],[●] edition of Hindi national daily [●] and [●] edition of [●] regional language newspaper. This advertisement shall be in the prescribed format.

(b) The Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.

(c) Copies of the Bid cum Application Form and copies of the Red Herring Prospectus will be available with the Syndicate. The SCSBs shall ensure that the abridged prospectus is made available on their websites.

(d) Any Bidders (who is eligible to invest in the Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from the Registered Office of the Company.

(e) Eligible Bidders 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. Bidders (other than Anchor Bidders) who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids.

(f) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms (other than the ASBA Bid cum Application Forms) should bear the stamp of the Syndicate, otherwise they will be rejected. Bids by ASBA Bidders shall be accepted by the Designated Branches of the SCSBs in accordance with the SEBI Regulations and any circulars issued by SEBI in this regard. The ASBA Bidders (other than Anchor Investors) also have an option to submit the ASBA Bid cum Application Form in electronic form.

The applicants may note that in case the DP ID and Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate do not match with the DP ID and Client ID and PAN available in the Settlement Depository database, the application is liable to be rejected.

With effect from August 16, 2010, the demat accounts for Bidders for which PAN details have not been verified shall be "suspended credit" and no credit of Equity Shares pursuant to the Issue shall be made into accounts of such Bidders.

Method and Process of Bidding

(a) The Company and the Selling Shareholders in consultation with the BRLMs will decide the Price Band, Retail Discount, if any and the minimum Bid lot size for the Issue and the same shall be advertised in [●] edition of English national daily [●], [●] edition of Hindi national daily [●] and [●] edition of [●] regional language newspaper at least two working days prior to the Bid/ Issue Opening Date. The Syndicate and the SCSBs shall accept Bids from the Bidders during the Bid/ Issue Period.

(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 [●] edition of English national daily [●], [●] edition of Hindi national daily [●] and [●] edition of [●] regional language newspaper and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate.

(c) During the Bid/Issue Period, Bidders, other than QIBs, who are interested in subscribing for the Equity Shares should approach the Syndicate or their authorised agents to register their Bids. The Syndicate shall accept Bids from all Bidders and have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. Bidders (other than Anchor Investors) who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids.

(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 entitled "Bids at Different Price Levels" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

(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 or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate or SCBS 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 entitled "Build up of the Book and Revision of Bids".

(f) Except in relation to the Bids received from the Anchor Investors, the Syndicate/the SCSBs 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) The BRLMs shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. one working day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

(h) Along with the Bid cum Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described in "Escrow Mechanism, terms of payment and payment into the Escrow Accounts" in the section "Issue Procedure" beginning on page 349 of this Draft Red Herring Prospectus.

(i) 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.

(j) 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.

(k) 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 and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

(l) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid cum

Application Form, as the case may be. 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 ASBA Accounts and for transferring the amount allocable to the successful 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 Registrar to the Issue.

Bids at Different Price Levels and Revision of Bids

(a) The Company and the Selling Shareholders, in consultation with the BRLMs and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on 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 working days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

(b) The Company and the Selling Shareholders, in consultation with the BRLMs will finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.

(c) The 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.

(d) The Bidders 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.

(e) 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 shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, see "Payment Instructions" in the section "Issue Procedure" beginning on page 349 of this Draft Red Herring Prospectus.

Electronic Registration of Bids

(a) The Syndicate and the SCSBs will register the Bids using the on-line facilities of the Stock Exchanges.

(b) The Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/Issue to amend some of the data fields (currently DP ID, Client ID) entered by them in the electronic bidding system. Bidders are cautioned that a high inflow of Bids typically experienced on the last Working Day of the Bidding may lead to some Bids received on the last Working Day not being uploaded due to lack of sufficient uploading time, and such Bids that could not be uploaded will not be considered for allocation. Bids will only be accepted on working days.

(c) There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Bids are being accepted. The Syndicate Members and/or SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate Members and the SCSBs, (ii) the Bids uploaded by the Syndicate Members and the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members and the SCSBs or (iv) with respect to the

Bids by ASBA Bidders, Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.

(d) The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available with the Syndicate and their authorised agents and the SCSBs during the Bid/ Issue Period. The Syndicate Members and the Designated Branches of the SCSBs 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/ Issue Closing Date, the Syndicate and the Designated Branches of the SCSBs 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.

(e) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges would be made available at the Bidding centres during the Bid/Issue Period.

(f) At the time of registering each Bid other than ASBA Bids, the Syndicate shall enter the following details of the Bidders in the on-line system:

- Name of the Bidder: Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the Depositary Account is held. In case the Bid cum Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.

  - Investor Category – Individual, Corporate, FII, NRI, Mutual Fund, etc.
  - Numbers of Equity Shares Bid for.
  - Bid Amount.
  - Cheque Details.
  - Bid cum Application Form number.
  - DP ID and client identification number of the beneficiary account of the Bidder.
  - PAN.

  With respect to Bids by ASBA Bidders, at the time of registering such Bids, the Designated Branches of the SCSBs shall enter the following information pertaining to the ASBA Bidders into the online system:

  - Name of the ASBA Bidder(s);
  - Application Number;
  - PAN (of First ASBA Bidder, in case of more than one ASBA Bidder);
  - Investor Category and Sub-Category:

Retail	**Non-Institutional**	**QIB**
(No sub category)	• Individual • Corporate • Others	• Mutual Funds • Financial Institutions • Insurance companies • Foreign Institutional investors other than corporate and individual sub-accounts • Others

  - Employee/shareholder (if reservation);
  - DP ID and client identification number;
  - Beneficiary account number of Equity Shares Bid for;

- Quantity;
- Bid Amount; and
- Bank account number.

(g) 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 Syndicate or the Designated Branches of the SCSBs. The registration of the Bid by the member of the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be allocated/Allotted either by the Syndicate, the Company or the Selling Shareholders.

(h) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(i) In case of QIB Bidders, only the BRLMs and their Affiliate Syndicate Members have the right to accept the Bid or reject it. However, such rejection shall 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 will be rejected on technical grounds listed in section "Issue Procedure' beginning on page 349 of this Draft Red Herring Prospectus. The Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds.

(j) 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, the Selling Shareholders and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company, the Promoter, the management or any scheme or project of the Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

(k) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. The Syndicate will be given up to one day after the Bid/Issue Closing Date to verify DP ID and Client ID uploaded in the online IPO system during the Bid/Issue Period after which the Registrar to the Issue will receive this data from the Stock Exchanges and will validate the electronic bid details with depositories records.

(l) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of the electronic facilities of the Stock Exchanges.

Build up of the book and revision of Bids

(a) Bids received from various Bidders through the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.

(b) The Book gets built up at various price levels. This information will be available with the BRLMs at the end of the Bid/Issue Period.

(c) During the Bid/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 such Bidder 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 Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.

(e) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate or the SCSB through whom such Bidder 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) 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) shall 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 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 the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, 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.

(g) 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.

(h) 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.

(i) 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. With respect to the Bids by ASBA Bidders, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the Syndicate shall collect the payment in the form of cheque or demand draft 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. In such cases, the Syndicate will revise the earlier Bids details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.

(j) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and may get a revised TRS from the Syndicate or the SCSB, as applicable. 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.

Price Discovery and Allocation

(a) Based on the demand generated at various price levels, the Company and the Selling Shareholders in consultation with the BRLMs shall finalise the Issue Price.

(b) Under-subscription, if any, in any category would be allowed to be met with spill-over from any other category or combination of categories at the sole discretion of the Company in consultation with the BRLMs and the Desginated Stock Exchange.

(c) Allocation to Non-Residents, including Eligible NRIs and FIIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

(d) Allocation to Anchor Investors shall be at the discretion of the Company in consultation with the BRLMs, subject to the compliance with the SEBI Regulations.

(e) QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date. Further the Anchor Investors shall not be allowed to withdraw their Bids after the Anchor Investor Bid/Issue Period.

(f) The Basis of Allotment shall be put up on the website of the Registrar.

Signing of the Underwriting Agreement and the RoC Filing

(a) The Company, the Selling Shareholders, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, the Company and the Selling Shareholders will update and file the updated Red Herring Prospectus with the RoC in accordance with the applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, Issue size, underwriting arrangements and will be complete in all material respects.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, the Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in [●] edition of English national daily [●], [●] edition of Hindi national daily [●] and [●] edition of [●] regional language newspaper.

Advertisement regarding Issue Price and Prospectus

The Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price 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 Allotment Note ("CAN")

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Syndicate a list of the Bidders who have been Allotted Equity Shares in the Issue.

(b) The Registrar will then dispatch a CAN to the Bidders who have been Allotted Equity Shares in the Issue.

(c) The Issuance of CAN is subject to "Notice to Anchor Investors – Allotment Reconciliation and Revised CANs" as set forth below.

Notice to Anchor Investors: Allotment Reconciliation and CANs

A physical book will be prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Company and the BRLMs, selected Anchor Investors will be sent an Anchor Investor Allocation Notice and/or a revised Anchor Investor Allocation Notice, as the case may be. All Anchor Investors will be sent Anchor Investor Allocation Notice post Anchor Investor Bidding Period and in the event that the Issue Price is higher than the Anchor Investor Issue Price, the Anchor Investors will be sent a revised Anchor Investor Allocation Notice within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors should note that they shall be required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised Anchor Investor Allocation Notice within the pay-in date referred to in the revised Anchor Investor Allocation Notice. The revised Anchor Investor Allocation Notice will constitute a valid, binding and irrevocable contract (subject to the issue of CAN) for the Anchor Investor to pay the difference between the Issue Price and the Anchor Investor Issue Price and accordingly the CAN will be issued to such Anchor Investors. In the event the Issue Price is lower than the Anchor Investor Issue Price, the Anchor Investors who have been Allotted Equity Shares will directly receive CAN. The dispatch of CAN shall be deemed a valid, binding and irrevocable contract for the Allotment of Equity Shares to such Anchor Investors.

The final allocation is subject to the physical application being valid in all respect along with receipt of stipulated documents, the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price and Allotment by the Board of Directors.

Designated Date and Allotment of Equity Shares

(a) The Company will ensure that (i) the Allotment of Equity Shares; and (ii) credit to the successful Bidder's depositary account will be completed within 12 Working 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, the Company will ensure the credit to the successful Bidder's depository account is completed within two Working Days from 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) Ensure that you have Bid within the Price Band;

(c) Read all the instructions carefully and complete the Bid cum Application Form;

(d) Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialised form only;

(e) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate or with respect to ASBA Bidders, ensure that your Bid is submitted at a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the Bidder for bidding has a bank account;

(f) With respect to Bids by ASBA Bidders, ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the ASBA Bid cum Application Form;

(g) Ensure that you request for and receive a TRS for all your Bid options;

(h) Ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB;

(i) Ensure that the full Bid Amount is paid for the Bids submitted to the Syndicate and funds equivalent to the Bid Amount are blocked in case of any Bids submitted though the SCSBs;

(j) Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;

(k) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

(l) Except for Bids submitted on behalf of the Central Government or the State Government and officials appointed by a court, all Bidders should mention their PAN allotted under the IT Act;

(m) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;

(n) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

(a) Do not Bid for lower than the minimum Bid size;

(b) Do not Bid/ revise Bid Amount to less than the Floor Price or higher than the Cap Price;

(c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate or the SCSBs, as applicable;

(d) Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;

(e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate or the SCSBs 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 Bid for a Bid Amount exceeding Rs. 100,000 (for Bids by Retail Individual Bidders);

(h) Do not fill up the Bid cum Application Form such that the Equity Shares Bid for 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;

(i) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground; and

(j) Do not submit the Bids without the full Bid Amount.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

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. Bidders should note that the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.

(c) Information provided by the Bidders will be uploaded in the online IPO system by the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Bidders should ensure that the details are correct and legible.

(d) For Retail Individual Bidders, the Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter subject to a maximum Bid Amount of Rs. 100,000.

(e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to Rs. 100,000 and in multiples of [•] Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations.

(f) 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.

(g) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(h) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of PAN of the Bidders, DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar 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, NECS, NEFT and RTGS) or unblocking of ASBA Account. 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 or unblocking of ASBA Account at the Bidders sole risk and neither the BRLMs or the Registrar or 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.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Refund orders/ 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/ 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 (other than ASBA Bidders) 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 such

Bidder's sole risk and neither the Company, the Selling Shareholders the Escrow Collection Banks, Registrar, 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, PAN of the sole/First Bidder, the DP ID and the beneficiary's identity, then such Bids are liable to be rejected.

Bids by Non-Residents including Eligible NRIs, FIIs and Foreign Venture Capital Funds 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).

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

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. The Company and the Selling Shareholders will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs and FIIs and all Bidders 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, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of Rs. 250 Million (subject to applicable law) and pension funds with a minimum corpus of Rs. 250 Million, 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, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(a). With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.

(b). With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.

(c). With respect to Bids made by provident funds with a minimum corpus of Rs. 250 Million (subject to applicable law) and pension funds with a minimum corpus of Rs. 250 Million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.

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 Bid cum Application form, subject to such terms and conditions that the Company, the BRLMs may deem fit.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

The Company, the Selling Shareholders and the Syndicate shall open Escrow Account(s) 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 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 Banks for and on behalf of the Bidders shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Banks 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 Banks shall transfer the funds represented by allocation of Equity Shares (including the amount due to the Selling Shareholders and other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers 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 as per the terms of the Escrow Agreement and the Draft 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 Selling Shareholders, the Syndicate, the Escrow Collection Banks and the Registrar to facilitate collections from the Bidders.

Payment mechanism for ASBA Bidders

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 Bid Amount in the bank account specified in the ASBA 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 unblock the Bid Amount. In the event of withdrawal or rejection of the ASBA Bid cum Application Form or for unsuccessful ASBA Bid cum Application Forms, the Registrar shall give instructions to the SCSB to unblock the application money in the relevant bank account within one day of receipt of such instruction. 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 Bid by ASBA Bidder, as the case may be.

Payment into Escrow Account for Bidders other than ASBA Bidders

Each Bidder shall draw a cheque or demand draft or (for Anchor Investors) remit the funds electronically through the RTGS mechanism for the Bid Amount payable on the Bid as per the following terms:

1. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.

2. The Bidders 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 Syndicate. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid of the Bidder

shall be rejected.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

   (a) In case of Resident QIB Bidders: "[●]"

   (b) In case of Non-Resident QIB Bidders: "[●]"

   (c) In case of Resident Retail and Non-Institutional Bidders: "[●]"

   (d) In case of Non-Resident Retail and Non-Institutional Bidders: "[●]"

4. Anchor Investors would be required to pay the Bid Amount at the time of submission of the Bid cum Application Form. In the event of the 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 as per the pay-in date mentioned in the revised Anchor Investor Allocation Notice. 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: "[●]"

   (b) In case of non-resident Anchor Investors: "[●]"

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.

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, 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 (other than ASBA 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 10 Working Days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on bidding, if any, after adjusting for allocation/Allotment to such Bidders.

12. Payments should be made by cheque, or a 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.

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 Syndicate at the time of submission of the Bid. With respect to the ASBA Bidders, the ASBA Bid cum Application Form or the ASBA Revision Form shall be submitted to the Designated Branches of the SCSBs.

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 Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Bids by QIBs under the Anchor Investor Portion and QIB Portion (excluding Anchor Investor Portion) will not be considered as multiple Bids.

After Bidding on an ASBA Bid cum Application Form either in physical or electronic mode, where such ASBA Bid has been submitted to the Designated Branches of SCSBs and uploaded with the Stock Exchanges, 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. Submission of a second Bid cum Application Form, whether an ASBA Bid cum Application Form, to either the same or to another Designated Branch of the SCSB, or a Non- ASBA Bid cum Application Form, 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. However, the ASBA Bidder can revise the Bid through the Revision Form.
More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs shall not accept a total of more than five ASBA Bid cum Application Forms from such ASBA Bidders with respect to any single ASBA Account.

Photocopies or duplicate copies of ASBA Bid cum Application Forms downloaded and printed from the website of the Stock Exchanges bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. A check would be carried out for the same PAN. In cases where the PAN is same, such bids would be treated as multiple applications.

The Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. A check should be carried out for the same PAN, in cases where the PAN is same, such bids would be treated as multiple applications. In this regard, the procedures which would be followed by the Registrar to detect multiple Bids are given below:

1. All Bids will be checked for common PAN and will be accumulated and taken to a separate process file which would serve as a multiple master.

2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.

3. The Registrar will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid data 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 Bids with same name and same address will be treated as multiple Bids.

5. The Bids 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.

Permanent Account Number or PAN

Except for Bids on behalf of the Central or State Government and the officials appointed by the courts and Bidders resident in the state of Sikkim who, in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN, the Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her 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**.

With effect from August 16, 2010, the demat accounts for Bidders for which PAN details have not been verified shall be "suspended credit" and no credit of Equity Shares pursuant to the Issue shall be made into accounts of such Bidders.

REJECTION OF 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 Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, the Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by RTGS/NEFT/NES/Direct Credit/cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk. With respect to Bids by ASBA Bidders, the Designated Branches of the SCSBs shall have the right to reject Bids by ASBA Bidders if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch of the SCSB 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.

Grounds for Technical Rejections

Bidders should note that incomplete Bid cum Application forms and ASBA Bid cum Application Forms that are not legible will be rejected by the Syndicate of the SCSBs. 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. With respect to Bids by ASBA Bidders, the amounts mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of the Equity Shares Bid for;

- 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 mentioned in the Bid cum Application Form;

- GIR number furnished instead of PAN;

- Age of first bidder not given;

- Bids for lower number of Equity Shares than specified for that category of investors;

- Bids at a price less than the Floor Price;

- Bids at a price more than the Cap Price;

- Signature of sole and/or joint Bidders missing. With respect to ASBA Bids, the ASBA Bid cum Application Form not being signed by the account holders, if the account holder is different from the Bidder;

- Submission of more than five ASBA Bid cum Application Forms per bank account;

- Submission of Bids by Anchor Investors through ASBA process;

- 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 the Draft 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;

- Bid cum Application Forms does not have the stamp of the BRLMs or Syndicate Members or the SCSB except for ASBA Bid cum Application Forms bearing an unique identification number which are downloaded from the website of the Stock Exchanges;

- 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 Draft Red Herring Prospectus and as per the instructions in the Draft 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;

- With respect to Bids by ASBA Bidders, inadequate funds in the bank account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the bank account or authorisation for blocking funds in the bank account is not ticked or provided;

- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;

- Bids by QIBs not submitted through the BRLMs or in case of ASBA Bids for QIBs (other than Anchor Investors) not intimated to the BRLMs;

- Bids by persons in the United States that are not "qualified institutional buyers" as defined in Rule 144A under the Securities Act;

- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;

- Bids by OCBs;

- Bids not uploaded on the terminals of the Stock Exchanges; and

- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.

IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES OR THE SYNDICATE/THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES, THE APPLICATION IS LIABLE TO BE REJECTED.

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:

- Agreement dated May 22, 2008 between NSDL, the Company and the Registrar; and

- Agreement dated [●], between CDSL, the Company and the Registrar.

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 the 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 Bidders 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 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 or the Designated Branch of the SCSBs where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, bank account number in which the amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of Allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches of the SCSBs.

PAYMENT OF REFUND

Bidders other than ASBA Bidders must note that on the basis of the names of the Bidders, Depository Participant's name, DP ID, beneficiary account number provided by them in the Bid cum Application Form, the Registrar will obtain, from the Depositories, the Bidders' 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 Selling Shareholders, the Registrar, Escrow Collection Bank(s), Bankers to the Issue, 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 for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference:

1. NECS – Payment of refund would be done through NECS 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 abovementioned centres, 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 Bank(s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.

3. RTGS – Applicants having a bank account at any of the abovementioned centres and whose refund amount exceeds Rs. 0.1 Million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid cum Application Form. In the event the same is not provided, refund shall be made through NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

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.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, the Company and the Selling Shareholders 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 NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 12 Working Days from the Bid/ Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company and the Selling Shareholders 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 12 Working Days of the Bid/Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, the Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form within 12 Working Days of the Bid/Issue Closing Date; and

- With respect to Bidders other than ASBA Bidders, 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 12 Working Days of the Bid/Issue Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 12 Working Days from the Bid/Issue Closing Date.

- The Company and the Selling Shareholders shall pay interest at 15% p.a. for any delay beyond the 15 days from the Bid/Issue Closing Date 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 12 Working Days prescribed above. If such money is not repaid within eight days from the day the Company becomes liable to repay, the Company and every Director of the Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the applicable law.

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 25,461,318 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 25,461,318 Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares per applicant. 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 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 10,911,993 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 10,911,993 Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares per applicant. For the method of proportionate Basis of Allotment refer below.

C. For QIBs (other than Anchor Investors)

- 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 successful 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 Bids by Mutual Fund 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 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:

1) In the event that the oversubscription in the QIB Portion (excluding Anchor Investor Portion), all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

2) 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 (excluding Anchor Investor Portion).

3) 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 more 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 other 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/ Issue Opening Date by intimating the same to the Stock Exchanges.

Method of Proportionate Basis of Allotment in the Issue

Except in relation to Anchor Investors, in the event of the Issue being over-subscribed, the Company shall finalise the Basis of Allotment in consultation with the BRLMs and the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar 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 one (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 Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

g) Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole 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	2,000 Million equity shares
2.	Allocation to QIB	1,000 Million equity shares
3.	Anchor Investor Portion	300 Million equity shares
4.	Portion available to QIBs other than Anchor Investors [(2) minus (3)]	700 Million equity shares
	Of which:	
	a. Allocation to MF (5%)	35 Million equity shares
	b. Balance for all QIBs including MFs	665 Million equity shares
3	No. of QIB applicants	10
4	No. of shares applied for	5,000 Million equity shares

B. Details of QIB Bids

Sr. No.	Type of QIB bidders#	No. of shares bid for (in Million)
1	A1	500
2	A2	200
3	A3	1,300
4	A4	500
5	A5	500
6	MF1	400

Sr. No.	Type of QIB bidders#	No. of shares bid for (in Million)
7	MF2	400
8	MF3	800
9	MF4	200
10	MF5	200
	Total	**5,000**

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 35 Million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 665 Million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
A1	500	0	66.50	0
A2	200	0	26.60	0
A3	1,300	0	172.90	0
A4	500	0	66.50	0
A5	500	0	66.50	0
MF1	400	7	53.20	60.20
MF2	400	7	53.20	60.20
MF3	800	14	106.40	120.40
MF4	200	3.50	26.60	30.10
MF5	200	3.50	26.60	30.10
	5,000	**35**	**665**	**301**

Please note:

1. The illustration presumes compliance with the requirements specified in this Draft Red Herring Prospectus in the section "Issue Structure" beginning on page 345 of this Draft Red Herring Prospectus.

2. Out of 700 Million equity shares allocated to QIBs, 35 Million (i.e. 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 2,000 Million equity shares in QIB category.

3. The balance 665 Million equity shares (i.e. 700-35 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 5,000 Million equity shares (including five MF applicants who applied for 2,000 Million equity shares).

4. The figures in the fourth column entitled "Allocation of balance 665 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 665 / 4,965.

   - 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 665 / 4,965.

   - The numerator and denominator for arriving at allocation of 665 Million shares to the 10 QIBs are reduced by 35 Million shares, which have already been allotted to Mutual

Funds in the manner specified in column III of the table above.

Letters of Allotment or Refund Orders or instructions to the SCSBs

The Company shall give credit to the beneficiary account with depository participants within 12 Working Days from the Bid/Issue Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. The 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 12 Working Days of the Bid/Issue Closing Date. Bidders 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 12 Working Days of the Bid/ Issue Closing Date. In case of ASBA Bidders, the Registrar shall instruct the relevant SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

Interest in case of delay in despatch of Allotment Letters or Refund Orders/ instruction to the SCSBs by the Registrar.

The Company and the Selling Shareholders agree that (i) Allotment of Equity Shares; and (ii) credit to the successful Bidders' depositary accounts will be completed within 12 Working Days of the Bid/ Issue Closing Date. The Company and the Selling Shareholders further agree that it shall pay interest at the rate of 15% p.a. if the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 15 days from the Bid/ Issue Closing Date.

The Company and the Selling Shareholders will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by the 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 BY THE COMPANY AND THE SELLING SHAREHOLDERS

The Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by the Company expeditiously and satisfactorily;

- 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 within 12 Working Days of the Bid/Issue Closing Date;

- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by the Issuer;

- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working 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 Promoter's contribution in full has already been brought in;

- That the certificates of the securities/ refund orders to Eligible NRIs shall be despatched within specified time;

- That 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 ASBA Bid cum Application Forms and to consider them similar to non-ASBA applications while finalising the Basis of Allotment.

The Selling Shareholders undertakes that:

- That the Equity Shares being sold pursuant to the Issue, have been held by them for a period of more than one year;

- The Equity Shares being sold pursuant to the Offer for Sale in the Issue are free and clear of any liens or encumbrances and shall be transferred to the eligible investors within the specified time;

- The funds required for despatch of refund orders or Allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by the Selling Shareholders;

- That the complaints received in respect of this Issue shall be attended to by the Selling Shareholders expeditiously and satisfactorily. The Selling Shareholders have authorised the Compliance Officer and the Registrar to the Issue to redress complaints, if any, of the investors;

- That the refund orders or Allotment advice to the successful Bidders shall be dispatched within specified time;

- That the Selling Shareholders shall not have recourse to the proceed of the Issue until approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received; and

- No further offer 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.

The Company shall not have recourse to the Net proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought, has been received. The Company shall transfer to the Selling Shareholders, the proceeds from the Offer for Sale, on the same being permitted to be released in accordance with applicable laws.

Withdrawal of the Issue

The Company and the Selling Shareholders, 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.

Any further issue of Equity Shares by the Company and/ or the Selling Shareholders shall be in compliance with applicable laws.

Utilisation of Issue proceeds

The Board of Directors certify that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

- details of all monies utilised out of the 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 an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;

- the utilisation of monies received under Promoter's contribution shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of the Company indicating the purpose for which such monies have been utilised; and

- the details of all unutilised monies out of the funds received under Promoter's contribution shall be disclosed under a separate head in the balance sheet of the issuer indicating the form in which such unutilised monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India 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 24% under automatic route in the Company.

FIIs are permitted 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.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or 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 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, 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, the Selling Shareholders 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 Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the Bids are not in violation of laws or regulations applicable to them.

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been 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 are detailed below:

Authorised Share Capital

Article 4 provides that "The authorized Share Capital of the Company shall be as stated in the Memorandum of Association of the Company. The authorised Share Capital shall have the rights, privileges and conditions attaching thereto as are provided in these Articles, with power to increase or reduce the Capital of the Company for the time being and to divide the Shares into several classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with these Articles and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may from time to time be provided in these Articles. The shares of the Company may also be issued at a discount or at a premium."

Rights to convert Shares into stock & vice-versa

Article 7 provides that

(1) 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.

(2) The holders of stock, shall, according to the amount of stock held by them, have same rights, privileges as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company, and in the assets on winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

Power to issue preference Shares

Article 8 provides that "Subject to the provisions of Section 80 and/or other applicable provisions of the Act, the Company shall have the power to issue redeemable preference Shares which shall be redeemed not later than ten years from the date of its issue and resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption."

Further Issue of Shares

Article 9.2 provides that

(1) " Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further Shares then:

  a) Such further Shares shall be offered to the persons who at the date of the offer, are holders of the Equity Shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those Shares at that date;

  b) The offer aforesaid shall be made by a notice specifying the number of Shares offered and limiting a time not being less than thirty days from the date of offer within which the offer, if not accepted, will be deemed to have been declined;

c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right;

d) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.

(2) Notwithstanding anything contained in sub-clause (1) the further Shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub- clause (1) hereof) in any manner whatsoever.

a) If a special resolution to that effect is passed by the Company in General Meeting, or

b) Where no such 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 the general meeting (including the casting vote, if any, of the Chairman) by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

(3) Nothing in sub-clause (c) of (1) hereof shall be deemed:

a) To extend the time within which the offer should be accepted; or

b) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation.

(4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company:

a) To convert such debentures or loans into Shares in the Company; or

b) To subscribe for Shares in the Company.

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

b) 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 also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans."

Buy Back of Shares

Article 10 provides that "Notwithstanding anything contained in these Articles, in accordance with the provisions of Section 77A, 77AA and 77B of the Act, the Company may purchase its own shares or specified securities as it may think necessary, subject to such limits, restrictions, approvals upon such terms and conditions, and subject to such approvals as may be prescribed/required in terms of the provisions of the Act and other applicable laws, rules, regulations etc. including the amendment(s) thereof."

Liability of joint holders for a call

Article 15 provides that "Shareholders who are registered jointly in respect of a Share shall be severally as well as jointly liable for the payment of all instalments and calls in respect of such Shares."

Board to have right to make calls on Shares

Article 20 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 provisions of Section 91 of the Act, make such calls as the Board thinks fit upon the Shareholders in respect of all moneys unpaid on the Shares held by them respectively, and not by the conditions of issue or allotment thereof made payable at fixed times, and each Shareholder shall pay the amount of every call so made on him to the Person and at the times and places appointed by the Board. A call may be made payable by installments and shall be deemed to have been made when the resolution of the Board authorizing such call was passed"

Notice for call

Article 21 provides that "Not less than fourteen days, notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid as well as the amount payable."

Calls to carry Interest

Article 22 provides that

(1) "If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the holder for the time being in respect of the Share for which the call shall have been made or the instalment shall be due shall pay interest for the same at such rate as may be determined by the Board from the day appointed for the payment thereof to the time of the actual payment, provided that in case no such interest is decided by the Board, it shall be the prevalent Prime Lending Rate adopted by the State Bank of India in respect of its loans.

(2) The Board shall be at liberty to waive payment of any such interest either wholly or in part."

Dues deemed to be calls

Article 23 provides that "If by the terms of issue or allotment of any Share or otherwise any amount is made payable upon allotment or at any fixed time or by installment, whether on account of the amount of the Share or by way of premium every such amount shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount accordingly."

Proof of dues in respect of Share

Article 24 provides that "On the trial or hearing of any action or suit brought by the Company against any shareholder or his representatives to recover any debt or money claimed to be due to the Company in respect of his/its Share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the register as a holder, or one of the holders of the number of Shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Board who made any call nor that a quorum was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt."

Payment in anticipation of call may carry interest

Article 25 provides that

(1) “The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same, whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

(2) The member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

(3) The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.”

Board to revoke or postpone a call

Article 26 provides that “A call may be revoked or postponed at the discretion of the Board.”

Board to have right to forfeit Shares

Article 27 provides that “If any Shareholder fails to pay any call or installment of a call on or before the day appointed for the payment of the same the Board may, at any time thereafter during such time as the call or installment remains unpaid, serve a notice on such Shareholder requiring him to pay the same, together with any interest that may have accrued and call expenses that may have been incurred by the Company by reason of such non-payment.”

Call when made

Article 28 provides that “The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of nonpayment at or before that time, and at the place appointed the Shares in respect of which such call was made or installment is payable will be liable to be forfeited.”

Forfeited Share to be the property of the Company

Article 31 provides that

(1) “Any Share so forfeited shall be deemed to be the property of the Company, and the Board may sell or otherwise dispose of the same on such terms and in such manner as it thinks fit.

(2) Where any Share is so sold or disposed of by the Board and the certificate in respect thereof is not delivered unto the Company by the former holder of such Share the Board may issue a new certificate for such Share distinguishing it in such a manner as it may think fit from the certificate not so delivered up.”

Board entitled to cancel forfeiture

Article 32 provides that “The Board may, at any time before any Share so forfeited shall have been sold or otherwise disposed of cancel the forfeiture thereof upon such conditions as it thinks fit.”

Person whose Share has been forfeited shall cease to be a Shareholder

Article 33 provides that “A Person whose Share has been forfeited shall cease to be a Shareholder in respect of the Share, but shall notwithstanding such forfeiture remain liable to pay, and shall forthwith pay to the Company all calls or installments, interest and expenses, owing upon or in respect of such Share, at the time of forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment thereof, or any part thereof without any deduction or allowance for the value of the Shares at the time of forfeiture but shall not be, under any obligation to do so.”

Company’s lien on Shares /Debentures

Article 36 provides that “The Company shall have a first and paramount lien upon all the Shares /debentures (other than fully paid up Shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at fixed time in respect of such Shares/debentures, and no equitable interest in any Shares shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/debentures. Unless otherwise agreed, the registration of a transfer of Shares/debentures shall operate as a waiver of the Company's lien if any, on such Shares/debentures. The Directors may at any time declare any Shares/debentures wholly or in part to be exempt from provisions of this clause. Provided that the fully paid shares shall be free from all lien and in respect of partly paid shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.”

Enforcing lien by sale

Article 37 and 38 provides that “For the purpose of enforcing such lien the Board may sell the Share subject thereto in such manner as it thinks fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such Shareholder, his executor or administrator or his committee or curator bonis or other legal representative as the case may be and default shall have been made by him or them in the payment of the moneys called or payable at a fixed time in respect of such Share for seven days after the date of such notice. The proceeds of the sale under Article 37 hereof shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable, as existed upon the Share before the sale) be paid to the Person entitled to the Share at the date of the sale.”

Commission for placing Shares, Debentures, etc

Article 41 provides that “Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure, subscriptions (whether absolute or conditional) for any shares or debentures in the Company, but so that the commission shall not exceed in the case of shares five percent of the price at which the shares are issued and in the case of debentures two and a half percent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or the other.”

Transfer of Shares

Article 42 provides that

(1) “Save as provided in Section 108 of the Act, no transfer of a Share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferee has been delivered to the Company together with the certificate relating to the Share or, if no such certificate is in existence, the letter of allotment of the Share. The Instrument of transfer of any Share shall specify the name of the transferor and the name, address and occupation (if any) of the transferee and the transferor shall be deemed to remain the holder in respect of such Share until the name of the transferee is entered in the register in respect thereof.

(2) Where an instrument of transfer of Shares of the Company has been delivered to the Company for registration and the transfer of such shares has not been registered by the Company, it shall act in accordance with the provisions of Section 206A of the Act in respect of the Dividends, rights Shares and bonus Shares in relation to such Shares.”

Instrument of Transfer

Article 44 provides that "The instrument of transfer of any Share shall be in writing and all the provisions of Section 108 of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of Shares and registration thereof. The Company shall use a common form of transfer in all cases."

Directors may refuse to register Transfer

Article 45 provides that "Subject to the provisions of Section 111A of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transfer, as the case may be, was delivered with the Company, send notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares."

Transmission of Shares

Article 49 provides that "The executor or administrator of a deceased Shareholder or the holder of other legal representation (not being one of several joint-holders) shall be the only Person recognised by the Company as having any title to the Share registered in the name of such Shareholder, and in case of the death of any one or more of the registered joint-holders of any Share, the survivor shall be the only Person recognised by the Company as having any title to such Shares, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on the Share held by him jointly with any other Person. Before recognising any executor or administrator of the holder aforesaid the Board may require him to obtain a grant of probate or letters of administration or other legal representation, as the case may be from a competent Court in India and having effect in the place where the office is situated. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit it shall be lawful for the Board to dispense with the production of probate or letters of administration or other legal representation upon such terms as to indemnify or otherwise as the Board in its absolute discretion, may consider adequate."

Article 50 provides that " Any committee or guardian, curator bonis or other legal curator of a lunatic, idiot or non-compos mentis Shareholder or any Person becoming entitled to or to transfer a Share in consequence of the death or insolvency of any Shareholder upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Board thinks sufficient, may, with the consent of the Board (which the Board shall not be bound to give), be registered as Shareholder in respect of such Share, or may, subject to the regulations as to transfer herein before contained, transfer such Share."

Rights on Transmission

Article 52 provides that "A Person so becoming entitled under Article 50 hereof to a Share by reason of the death or insolvency of a Shareholder shall subject to the provisions of Article 49 and of Section 206 of the Act, be entitled to the same dividends and other advantages as he would be entitled to if he were the Shareholder registered in respect of the Share except that no such Person shall before being registered as a Shareholder in respect of the Share, be entitled to exercise in respect thereof any right as a Shareholder in relation to meetings of the Company. Provided that the Board may at any time give notice requiring any such Person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within ninety days the Board may thereafter withhold payment of all Dividends or other moneys payable in respect of the Share until the requirements of the notice have been complied with."

Increase of Capital

Article 53 provides that "Subject to the provisions of these Articles and the Act, the Company in General Meeting may from time to time by special resolution alter the conditions of its Memorandum of Association to increase the Capital by the creation of new Shares of such amount as may be deemed expedient."

New Capital part of the existing Capital

Article 54 provides that "Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new Shares shall be considered part of the then existing Capital of the Company and shall be subject to the provisions herein contained with reference to the payment of dividends, calls and installments, transfer and transmission, forfeiture, lien, surrender and otherwise."

Reduction of Capital

Article 56 provides that "The Company may, from time to time, by special resolution, reduce its Capital and any capital redemption reserve account or share premium account in any manner and with and subject to any incident authorised and consent required by law."

Alteration of Capital

Article 57 provides that "The Company in General Meeting may from time to time by Special Resolution alter the conditions of the Memorandum of Association so as to :

(1) consolidate and divide all or any of its Share Capital into Shares of larger amount than its existing Shares;

(2) sub-divide its existing Shares or any of them into Shares of smaller amount than is fixed by the Memorandum so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived;

(3) cancel any Share which at the date of the passing of the resolution 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."

Extraordinary General Meetings

Article 61 provides that "All General Meetings of the Shareholders other than the Annual General Meeting shall be called Extraordinary General Meetings. The Board may, whenever it thinks fit call an Extraordinary Meeting."

Extraordinary Meetings on requisition

Article 62 provides that "The Board may, wherever it thinks fit, call a General Meeting and it shall on the requisition of Shareholders pursuant to Section 169 of the Act proceed to call an Extraordinary General Meeting in accordance with the provisions of the said Section."

Quorum for General Meeting

Article 65 provides that "No business shall be transacted at a General Meeting unless the specified quorum of Shareholders is present at the time when the meeting proceeds to transact business. Subject to the above, Five (5) Shareholders present in person shall form a quorum in accordance with the requirements of the Act."

Voting at Meeting and No Casting Vote to Chairman

Article 73 provides that "Every question submitted to a meeting shall be decided by a show of hands unless a poll is demanded and in the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the

General Meeting at which the show of hands takes place or at which the poll is demanded, shall not be entitled to a second or casting vote."

Article 74 provides that "At any General Meeting unless a poll is duly ordered by the chairman thereof a declaration by the chairman that the resolution has or has not been carried, or has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of, or against the resolution."

Instrument of Proxy

Article 78 provides that

(1) "The instrument appointing a Proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if such appointer is a body corporate be under its common seal or the hand of its officer or attorney duly authorised. A Proxy who is appointed for a specified meeting only shall be called a special Proxy. Any other Proxy shall be called a General Proxy.

(2) A Person may be appointed a Proxy though he is not a Shareholder of the Company and every notice convening a meeting of the Company shall state this and that a Shareholder entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of him."

No right to vote unless calls are paid

Article 82 provides that "No member shall be entitled to exercise any voting rights either personally or by Proxy at any meeting of the Company in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right of lien."

Number of Directors

Article 87 provides that "The Board of Directors shall be comprised of minimum of four directors and a maximum of twelve directors."

Share qualification not necessary

Article 90 provides that "A director shall not be required to hold any qualification Shares."

Additional Directors

Article 99 provides that "The Board shall have power, at any time and from time to time to appoint any Person as a director as an addition to the Board but so that the total number of directors shall not at any time exceed the maximum number fixed by these Articles. Any Director so appointed shall hold office only upto the date of the next Annual General Meeting of the Company and shall then be eligible for appointment."

Director's power to fill-up casual vacancy

Article 100 provides that "Any casual vacancy in the office of a director may be filled by the Board at a duly convened meeting provided however, that if a director whose office shall be so vacated be a nominee of Oiltanking or of IOC as the case may be, the person to be appointed to fill such vacancy shall also be a person selected by Oiltanking or IOC as the case may be, and such person shall hold office upto the date on which the director in whose place he is appointed would have held office."

Alternate Directors

Article 101 provides that "In the event that any director (hereinafter referred to as the "Original Director") is away for a continuous period of not less than three (3) months from the State in which the registered Office of the Company is located, the Board of Directors shall appoint an alternate director for him. The person to be appointed as alternate director shall be nominated by the Party for whose representation the Original Director was appointed."

Remuneration of Directors and Remuneration for Extra Services

Article 89 provides that

(1) "Subject to the provisions of the Section 198, 309, 310, 311 and 314 of the Act, the remuneration of the Directors of the Company shall be as determined by the Company in general meeting from time to time.

(2) The remuneration of a director for attending the meeting of the Board or a Committee thereof shall be such sum as may be determined by the Board, keeping in view the provisions of the Act and the rules made thereunder from time to time.

(3) The Directors shall also be entitled to payment of actual expenditure for travelling, boarding, lodging and other expenses incurred for attending the meetings of the Board or any Committee thereof or General Meetings of the Company or for any journeys performed in connection with the business of the Company.

(4) Subject to the provisions of the Act, a Managing Director or a Director who is the whole-time employment of the Company, may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by another.

(5) 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:

    (a) by way of a monthly, quarterly or annual payments, or

    (b) by way of commission if the Company by a Special Resolution authorises such payment.

(6) The Directors may from time to time fix the remuneration to be paid to any member or members of their body constituting a committee appointed by the Directors in terms of these Articles and may pay the same. The Company shall ensure that the fee for participation in Board meetings is the same for all Directors.

(7) If any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing abroad or otherwise for any of the purposes of the Company, the Company shall remunerate such Director, in such manner as may be determined by the Board and such remuneration may be in addition to the fee payable to him under the preceding Article.

(8) The continuing Directors or Director may act notwithstanding any vacancy in the Board but, so that, if their number falls below the minimum above fixed, the Directors or Director shall not except for the purpose of filling vacancies or summoning a General Meeting, act so long as the number is below the minimum."

Director may be officers, directors or shareholder of any other corporation

Article 91 provides that "Persons nominated for the position of director shall not be deemed disqualified to serve by reason of their being officers, directors or shareholder of any other corporations, incorporated within or outside of India."

Chairman

Article 92 provides that "IOC shall have the right to select and nominate the chairman of the Company. The chairman shall not have tie breaking or casting vote."

Managing Director

Article 93 provides that "The Company shall be managed by a Managing Director who shall be a nominee of Oiltanking. The Managing Director who may be in the whole time employment of the Company will be appointed by the Board from one of its directors, subject to the approval of shareholders under Section 269 of the Act, will be incharge of the day- to-day operations and management of the Company subject to compliance with statutory requirements, if any. His tenure of office shall be for a period not exceeding the period prescribed by the Act. The Board may from time to time (subject to the provisions of any contract between him and the company) remove or dismiss him from office and appoint in his place another person in the same manner. The Managing Director of the Company shall be vested with substantial powers of operational management subject to the superintendence, control, and direction by the Board. The Managing Director shall have the full responsibility and authority to manage the affairs of the Company within the framework of any strategic business plans and the annual budgets of the Company and subject to the powers required to be exercised by the Board or the Shareholders under these Articles or the provisions of the Companies Act, 1956. The exercise of the powers vested with the Managing Director will be facilitated by issue of a separate power of attorney."

Finance Director

Article 98 provides that "The Board will appoint a Finance Director working on a whole time basis who will be nominated by IOC. The Finance Director of the Company will be responsible to the Managing Director and report to him. The Managing Director will delegate financial powers to the Finance Director in consultation with the Board. The Managing Director can recommend replacement of the Finance Director with due justification to the Board."

Powers to be exercised by Board only by Meeting

Article 103 provides that "The following matters will be resolved by a Board decision in addition to the matters which require a decision by the Board under the Companies act, 1956, and any other prevailing law in India.:

(1) Any issuance and/or allotment of any Shares whether equity or preference, including determination of terms for payments and subscriptions and including power to make calls.

(2) Any resolution for borrowing in excess of Rs.5 Crores and/or for a term of more than one year.

(3) Additional powers to be delegated to the Managing Director.

(4) Any increase or reduction in the number of directors.

(5) Approval of the accounts and reports to be laid before the Shareholders in General Meeting.

(6) Any license or other grant of technology or related information to or by the Company and any and all material decisions involving the use of such technology.

(7) The purchase by the Company of the Shares, stocks or debentures of any other company;

(8) Organisation of any subsidiary of the Company and/or equity participation in other corporation and for their Affiliates;

(9) Any change in or modification of the business of the Company and commencing of any new business elaborated in Part C of the objects set out in the Memorandum of Association of the Company;

(10) Acquiring from or granting to third parties by license or otherwise patents, trademarks, technology or other intellectual/ industrial property rights;

(11) Giving any loan or guarantee, or extending credit to any Person, firm or company exceeding Rs.1 Crore except in the ordinary course of business. For this purpose the expression "ordinary course of business"

shall mean loans or guarantees given for statutory bodies such as customs authorities, excise authorities, port authorities, railway authorities, etc. and financial institutions including banks etc.

(12) Any sale or transfer of technical documentation or know- how received directly or indirectly from Oiltanking.

(13) Any recommendation relating to the distribution of profits or any matter of Dividend policy.

(14) Any approval of corporate strategic plans;

(15) Approval of the annual budget and investment plans;

(16) Approval of the plan for business development;

(17) Any arrangement relating to the purchase of assets of a value exceeding Rs.5 crores and/or disposal of assets exceeding Rs. 5 Crores and write-off of loans.

(18) Formulation and/or modification of policy of the company;

(19) Appointment of Auditors;

(20) Initiation of, or an agreement to settle, any dispute, litigation, arbitration or other proceeding with any third party, whether as petitioner/plaintiff or respondent/ defendant, in respect of matters having a substantial bearing on the Company's activities.

Provided that wherever legally necessary, exercise of the powers of the Board shall be subject to the approval/consent of the Shareholders at a duly convened General Meeting of the Company."

Quorum

Article 106 provides that "The quorum for a meeting of the Board shall be one-third of the total strength of the Board for the time being or four directors whichever is more are present (unless such requirement is waived in writing by the Parties in respect of its respective nominee(s) for the specific meeting of the Board). Resolutions at any meeting of the Board shall be adopted by a majority of the members of the Board present and voting."

Right to Dividend

Article 118 provides that "Subject to the rights of Persons, if any, entitled to Shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the Dividend is paid but no amount paid or credited as paid on the Share in advance of calls shall be treated for the purposes of this Article as paid on the Share. All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the Dividend is paid; but if any share is issued on terms providing that it shall rank for Dividend as from a particular date such share shall rank for Dividend accordingly"

Declaration of Dividends

Article 114 provides that "The Company in General Meeting will declare Dividends which term shall include also interim Dividends. The directors may recommend to the General Meeting whether any Dividends are to be paid, but the General Meeting shall not in any way be bound by any such recommendation."

Dividends to be paid out of profits

Article 116 provides that "No Dividend shall be paid otherwise than out of profits."

Interim Dividends

Article 121 provides that "The Board may, from time to time, pay to the Shareholders such interim Dividends as appear to the Board to be justified by the profits of the Company."

Dividends not be bear interest

Article 127 provides that "No Dividend shall bear interest against the Company subject to the provisions of the Act."

Capitalisation of Profits and Bonus Issue

Article 128 provides that "The Company in General Meeting may resolve to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly decide that such sum be set free for distribution amongst the Shareholders who would have been entitled thereto if distributed by way of Dividend and in the same proportion on condition that, the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any Shares held by such shareholders respectively or paying up in full unissued Share or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such Shareholders in the proportion aforesaid, or partly in the one way and partly in the other, and the Board of Directors shall give effect to such resolution.

Provided that a Share premium account and a Capital redemption reserve fund may, for the purposes of this Article, only be applied in the paying up of un-issued Shares to be issued to Shareholders of the Company as fully paid bonus Shares.

Provided further that the Board of Directors may in giving effect to such resolution make such provision for settlement of any difficulty which may arise in regard to the distribution as it deems expedient and may provide for payment in cash or otherwise as they think fit in the case of Shares or debentures becoming distributable in fractions."

Duties of Officers to observe secrecy

Article 153 provides that "Every director, secretary, manager, Auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Board, before entering upon the duties, sign a declaration pledging himself to observe strict secrecy respecting all bonafide transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Board or by any General Meeting or by the law of the country and except so far as may be necessary in order to comply with any of the provisions in these presents and the provisions of the Act."

Secrecy

Article 154 provides that "No Shareholder or other Person (not being a director) shall be entitled to enter upon the property of the Company or to inspect or examine the premises or properties of the Company without the permission of the Board, to require discovery of or any information respecting any detail of the trading of the Company or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to communicable."

Power to Borrow

Article 155 provides that "Subject to the provisions of Sections 58A and 292 of the Companies Act, 1956, the Board shall have the power, from time to time and at its discretion, to borrow, raise or secure the payment of any sum of money for the purpose of the Company in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of debentures or bonds of the Company or by mortgage or charge upon all or any of the properties of the Company both present and future including its uncalled Capital for the time being."

Director's and others' right to indemnity

Article 157 provides that "Every director, secretary or officer of the Company or any person (whether an officer of the Company or not) employed by the Company and any person appointed as Auditor shall be indemnified out of the funds of the Company against all liability incurred by him in defending any proceedings, whether civil or criminal, within the scope of his employment, in which judgement is given in his favour, or in which he is acquitted or discharged or in connection, with any application under Section 633 of the Act in which relief is granted to him by the court."

Article 158 provides that " Subject to Section 201 of the Act, the Board, Managers, Auditors, Secretary and other Officers or servants for the time being acting in relation to any of the affairs of the Company, and every one of them and every one of their heirs, executors and administrators shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such, if any, as they shall incur or sustain through or by their own willful neglect or default respectively, and none of them shall be answerable for the acts, receipts or defaults of the other or others of them, or for joining in any receipt for the sake of conformity, or for any bankers or other persons with whom any moneys or effect belonging to the Company shall or may be lodged or deposited for safe custody, or for the insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts or in relation thereto except where the same shall happen by or through their own willful neglect or default respectively."

Division of assets of the Company in specie among Members

Article 162 provides that "If the Company shall be wound up, the liquidator may with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the Shareholders in specie or in kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator shall think fit but so that no Shareholder shall be compelled to accept any Shares or such other securities whereon there is any liability."

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus to be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days from the date of filing of the Red Herring Prospectus until the Bid/Issue Closing Date.

A. Material Contracts for the Issue

1. Engagement Letter dated July 29, 2010 between the Company, the Selling Shareholders and the BRLMs.
2. Issue Agreement dated September 7, 2010 between the Company, the Selling Shareholders and the BRLMs.
3. Agreement dated September 7, 2010 between the Company, the Selling Shareholders and the Registrar to the Issue.
4. Escrow Agreement dated [●] between the Company, the Selling Shareholders, the BRLMs, the Escrow Collection Bank(s) and the Registrar to the Issue.
5. Syndicate Agreement dated [●] between the Company, the Selling Shareholders, BRLMs and the Syndicate Members.
6. Underwriting Agreement dated [●] between the Company, the Selling Shareholders, the BRLMs and the Syndicate Members.

B. Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of the Company as amended from time to time.
2. Certificate of incorporation dated August 28, 1996 and fresh certificate of incorporation dated December 1, 2008.
3. Resolution of the Board of Directors dated July 27, 2010 in relation to this Issue and other related matters.
4. Shareholders' resolution dated July 27, 2010 in relation to this Issue and other related matters.
5. Resolution of the IPO Committee dated September 8, 2010 in relation to this Issue and other related matters.
6. Approval of the managing director of Oiltanking India and board of directors of Indian Oil dated July 26, 2010 and July 24, 2010, respectively, approving the Offer for Sale.
7. Consent from Selling Shareholders dated September 6, 2010 in relation to the Offer for Sale.
8. Auditor's reports of on the restated standalone and consolidated financial information, included in this Draft Red Herring Prospectus.
9. Copies of the annual reports of the Company for the last five financial years.

10. Consent from the Auditors for inclusion of their names as the statutory auditors and of their reports on accounts in the form and context in which they appear in this Draft Red Herring Prospectus.

11. The Statement of Tax Benefits dated September 7, 2010 from the Statutory Auditors.

12. Consent of the Directors, the Selling Shareholders, the BRLMs, the Syndicate Members, Domestic Legal Counsel to the Company, Domestic Legal Counsel to the Underwriters, International Legal Counsel to the Underwriters, Registrars to the Issue, Escrow Collection Banker, Banker to the Issue, Bankers to the Company, IPO Grading Agency, the Monitoring Agency, Company Secretary, the Compliance Officer as referred to in their respective capacities.

13. Certificate dated September 4, 2010 issued by the Auditors of the Company in relation to the Objects of the Issue.

14. Quantity Estimate dated August 20, 2010 for common user terminal at Raipur prepared by IOT Design & Engineering Limited.

15. Due Diligence Certificate dated September 8, 2010 addressed to SEBI from the BRLMs.

16. Initial listing applications dated [●] and [●] filed with the BSE and the NSE respectively.

17. In principle listing approvals dated [●] and [●], issued by the BSE and the NSE respectively.

18. Tripartite Agreement dated May 22, 2008 between the Company, NSDL and the Registrar to the Issue.

19. Tripartite Agreement dated [●] between the Company, CDSL and the Registrar to the Issue.

20. IPO Grading Report dated [●], 2010 by [●].

21. SEBI observation letter no. [●] dated [●].

Other Material Agreements and Documents

1. Joint venture agreement dated July 4, 2002 between Oiltanking India and Indian Oil.

2. Joint venture agreement dated July 1, 2010 between Katoen Natie Asia Pte. Ltd., Singapore and the Company

3. Subscription Agreement dated July 6, 2010 between IOT Utkal, Tata Capital Limited, L&T Infrastructure Finance Company Limited, IVRCL Assets & Holdings Limited, IVRCL Infrastructure & Projects Limited and the Company.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of 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

The undersigned Selling Shareholder hereby certifies that all statements made in this Draft Red Herring Prospects in are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any other Selling Shareholder in this Draft Red Herring Prospects, except statements made by the undersigned Selling Shareholder in relation to itself as the Selling Shareholder.

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(**For Indian Oil Corporation Limited**)

Date: September 8, 2010

The undersigned Selling Shareholder hereby certifies that all statements made in this Draft Red Herring Prospects in are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any other Selling Shareholder in this Draft Red Herring Prospects, except statements made by the undersigned Selling Shareholder in relation to itself as the Selling Shareholder.

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(**For Oiltanking India GmbH**)

Date: September 8, 2010

DECLARATION

We, hereby declare that all relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act or the SEBI Act or Rules or regulations made there under or guidelines issued, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY

Brij Mohan Bansal (*Non- executive Chairman*)	**Jayanta Bhuyan** (*Managing Director*)
R. Narayanan *(Non-Independent, Non-Executive Director appointed as a nominee of Indian Oil)*	**S. V. Narasimhan** *(Non-Independent, Non-Executive Director appointed as a nominee of Indian Oil)*
Rutger Van Thiel *(Non-Independent, Non-Executive Director appointed as a nominee of Oiltanking India)*	**Aart Willem Lokhorst** *(Non-Independent, Non-Executive Director appointed as a nominee of Oiltanking India)*
P. Sugavanam *(Non –Executive, Independent Director)*	**Arun Balakrishnan** *(Non –Executive - Independent Director)*
Shyam Sunder Suri *(Non –Executive - Independent Director)*	**T. C. Venkat Subramanian** *Non –Executive - Independent Director*
Samir Kumar Barua *(Non –Executive - Independent Director)*	**Vinod Kumar Sharma** *(Non –Executive - Independent Director)*

Signed by the **Chief Financial Officer**

Jatin Mavani

Date: September 8, 2010